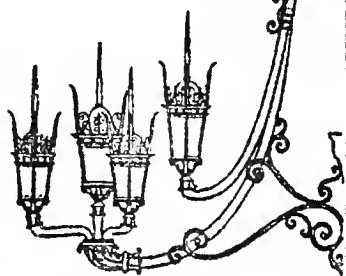


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Comprehensive Annual Financial Report

of the

CITY OF BOSTON

Massachusetts

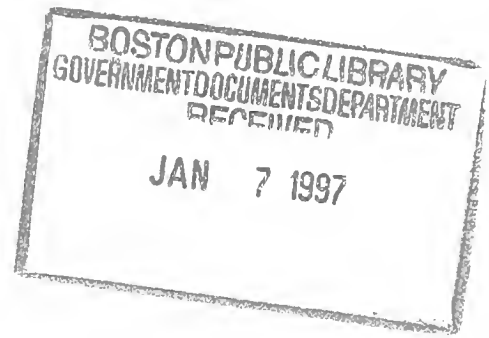
For the Year Ended June 30, 1992



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City of Boston,
Massachusetts



Comprehensive Annual Financial Report

For the Year Ended June 30, 1992

Raymond L. Flynn, Mayor
Sally M. Degan, City Auditor



Prepared by the City of Boston Auditing Department

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Comprehensive Annual Financial Report

For the Year Ended June 30, 1992

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INTRODUCTORY SECTION

Boston

December 11, 1992

*The Honorable Mayor and
Members of the City Council:*

I am pleased to submit to you the 1992 Comprehensive Annual Financial Report (CAFR) for the City of Boston, Massachusetts (City). The Auditing Department has prepared this report to present the financial position of the City at June 30, 1992, and the results of operations and cash flows for its proprietary funds and nonexpendable trust funds for the year then ended. The financial statements and supporting schedules are prepared according to generally accepted accounting principles and meet the requirements of the Commonwealth of Massachusetts and the City Charter.

Our report contains all the organizations and activities for which the City exercises oversight responsibility. This report excludes certain organizations; the notes to the financial statements discuss the criteria for their exclusion from these statements.

The report is presented in three distinct sections. These sections are:

- The **Introductory Section** includes information about the City's organization, initiatives, and accomplishments for Fiscal Year 1992 (FY-92).
- The **Financial Section** includes the independent auditors' opinion, the general purpose financial statements, and the combining statements and schedules for the City's funds and account groups.
- The **Statistical Section** contains ten years of summary financial data, debt computations, and a variety of demographic, economic, and general information. This section is designed to provide additional information to the reader about the City and its operations.

The accuracy of the City's financial statements and the completeness and fairness of the presentation is the responsibility of the City's management. The City maintains a system of internal controls designed to provide a reasonable assurance that the assets are safeguarded against loss or unauthorized use and that the financial records can be relied on to produce financial statements following generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of maintaining the system of internal controls should not exceed the benefits likely to be derived.



Raymond L. Flynn, Mayor/AUDITING DEPARTMENT /Boston City Hall/City Hall Plaza 02201

Controls are also imposed by the City's adopted budget. This control is maintained through a series of integrated accounts and funds in the City's financial system. A system of encumbrance control is also maintained for the City's purchase orders, service orders, and other contractual commitments.

The Commonwealth of Massachusetts through Chapter 190 of the Acts of 1982, requires that the City undergo an annual audit performed by a firm of independent public accountants. The City has selected the firm of KPMG Peat Marwick to perform the FY-92 audit. This audit, is conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit provides an independent review that helps to assure a fair presentation of the City's financial position and results of operations.

In addition to the Commonwealth's audit requirements the Federal government requires that the City undergo an audit of its Federal grant funds. This audit requirement has been imposed by the Single Audit Act of 1984. In addition to their opinion on the City's financial statements KPMG Peat Marwick issues separate reports on the City's internal control systems and compliance with applicable laws and regulations. These reports, issued separately, meet the requirements of the Single Audit Act and the Office of Management and Budget Circular A-128.

I would like to express my appreciation to the staff of the Accounting and Financial Reporting Unit whose professionalism and dedication made the timely preparation of the CAFR possible. I thank all the members of the Auditing Department staff whose daily contributions and assistance were invaluable in the preparation of this CAFR. At the conclusion of the Introductory Section, I have included a list of the Auditing Department's staff whose significant contributions made this report possible. I also want to thank the other City departments and agencies who provided additional information for the CAFR.

Finally, I want to thank you for your continued interest in the financial operations of the City, and for the planning and support necessary to conduct the City's financial operations in a responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sally M. Degan". The signature is fluid and cursive, with the first name "Sally" being more prominent.

Sally M. Degan
City Auditor

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Sally M. Degan
City Auditor

Economic Conditions and Outlook

The City is the economic center of both the Commonwealth and New England. As the center, it has been adversely affected by the region's economic recession. Additionally, the budget problems that have adversely affected the Commonwealth have also directly affected the City and the services it provides. Economically sensitive indicators such as tourism and convention revenues, and City revenues from building permits and business licenses have declined.

The outlook for Fiscal Year 1993 (FY-93) is uncertain at best. Economists predict that the current recession will be deeper and last longer than in other areas of the country. Additionally, the Commonwealth's economy which relies on high technology and defense may experience further cutbacks. This is especially true in the area of defense spending as the Department of Defense reduces its spending for weapons systems and research in response to its own budget constraints. These reductions impact the Commonwealth's budget as the revenues from income, business and sales taxes decrease. The reduction in turn may impact Boston as a significant portion of the City's budget is provided by the Commonwealth through State Distributions.

Major Initiatives

For Fiscal Year 1992

FY-92 Budget Reductions. The City was again forced to reduce its FY-92 operating budget to match its projected revenues. With the exception of the Commission on the Homeless the Library Department, all City departments have seen their budgets reduced, from their FY-91 levels. In many cases these reductions have also led to personnel reductions. Several of the City's individual boards and commissions have been consolidated into one operating department to enable the City to operate the commissions more efficiently by taking advantage of shared staffing and resources. While the City has taken several different approaches to reducing its budget, ultimately these cuts may result in service reductions to the City's residents.

Restructuring of the Boston School Committee. On July 5, 1991 Governor Weld signed legislation to allow the City to change from an elected school committee to a seven person board appointed by the Mayor. The individuals appointed by the Mayor for staggered terms came from a group of candidates selected by a citizens advisory committee. The restructuring took place on January 6, 1992 with the expiration of the former School Committee's term in January 1992. The legislation provides a sunset provision that allows the City's voters to return to an elected committee. This would be decided through a binding referendum in the November 1996 election.

Opening of the Suffolk County House of Correction. In December 1991 the City opened a new Suffolk County House of Correction (SCHC) in the South Cove area of the City. This modern facility replaced the antiquated structures at Deer Island. The new facility

increased the number of cells available for prisoners. For the first time SCHC also has facilities to incarcerate women prisoners.

The facilities at Deer Island will be demolished as part of the Boston Harbor Cleanup Project by the Massachusetts Water Resources Authority (MWRA). A new sewage treatment plant will take the place of the existing buildings.

City Wide Recycling Program. The City has begun two recycling programs for its residents. The first is for newspapers. This program, operated by the Public Works Department, hopes to have a positive impact on both the environment and the City's waste disposal costs. The program started in September 1991 after an extensive advertising campaign in the City's neighborhoods.

The second program, started in conjunction with the Boston Water and Sewer Commission (BWSC), is to recycle waste oil. This program enables the City's residents to drop off their waste oil at a central location instead of disposing it in the City's sewers. This program will help to reduce the BWSC water treatment costs. This potential reduction in costs could then be passed on to the City's residents through reductions in sewage treatment charges.

Boston Harbor Clean Up. This federally mandated project will continue through the year 2000, under the direction of the MWRA. It will provide the residents of metropolitan Boston with a cleaner harbor and improved sewage treatment facilities at Deer and Nutt Islands. The project is financed by Environmental Protection Agency grant funds, the Commonwealth, and the rate payers of the MWRA's service area. It is hoped that a substantial number of construction jobs will be available to the City's residents during the life of the construction project.

Reconstruction of the Central Artery. The U.S. Department of Transportation's Federal Highway Administration has provided funds for the underground depression of Boston's Central Artery, Interstate 93. Additional funds have also been included for the construction of a third harbor tunnel to the Logan International Airport. The Commonwealth is contributing matching funds to both projects. The projects which are expected to be complete in 1999, will provide the City with additional "green space" in the core City, reduction in the traffic congestion on the Central Artery, and a number of jobs during the construction of the project. Major portions of the design work and environmental impact studies were completed and approved.

Reserve Fund. The Funding Loan Act of 1986 requires that the City maintain a reserve fund equal to 2.5% of the preceding year's appropriations for all City and County departments (except for the School Department). The City completed the funding of the reserve in fiscal 1989 to the full 2.5% as mandated, one fiscal year ahead of the statutory schedule. This fund is available to meet extraordinary and unforeseen expenditures after June 1st of any fiscal year with the approval of the Mayor and City Council. The City has generated a budget surplus every year since the creation of this fund, therefore, eliminating the need to use the reserve fund to finance expenditures. As of June 30, 1992, the balance of the reserve fund was \$17.9 million.

Youth Fund. In FY-91 the City started a fund to support a wide range of activities and services to benefit Boston youth. Funding was increased from \$500,000 in FY-91 to \$4.3 million in FY-92. Appropriations from this fund are used to support employment opportunities, activities of the Boston Youth Campaign, and other City agencies or affiliations who help to reduce violence and enhance family support programs. The Mayor's office of Safe Neighborhoods provides policy direction and oversees implementation of the programs.

Risk Management. To monitor potential exposure to various kinds of losses, the City has established a Risk Management Council (RMC). The council is comprised of representatives from several City departments. The City is self-insured for most losses, the RMC will focus on finding ways to minimize the frequency and severity of those losses.

Pension Funding. The City participates in a multiple-employer public employee retirement system known as the State-Boston Retirement System. The system's funding policy is governed by Section 22D of Chapter 32 of the Massachusetts General Laws. During the year, the FY-92 funding requirement was reduced to \$106.3 million from the initial estimate of \$123.7 million. The City's pension fund assets as a percentage of the total pension liability (measured in accordance with Statement 35 of the Financial Accounting Standards Board (FASB) has increased from 16% in fiscal 1983 to 59% for FY-92.

Quarterly Tax Billing. A recent change in State law allowed the City to convert the property tax billing from a semiannual to a quarterly billing cycle. Under the new billing cycle, bills will be sent out quarterly on July 1, October 1, January 1 and April 1. During FY-92 the City sent two preliminary tax bills, each equal to one quarter of the previous fiscal year's liability on June 28 and October 1. The first actual bill was sent on December 31 with the final quarterly bill on April 1. The last two quarterly bills reflected new assessments and tax rates for FY-92. The quarterly tax billing has accelerated the receipt of the property tax revenues and in turn, generated additional investment income and improved the City's cash flow position.

Bonded Debt Issue. The City issued General Obligation bonds of \$70.7 million dated February 15, 1992. A majority of the funds raised from the bond issue will be used to continue the City's infrastructure improvements. The City obtained insurance from the AMBAC Indemnity Corporation, the insured portion of the bonds was rated AAA by S&P and Aaa by Moody's. The balance of the issue was rated A by both the firms.

Fixed Asset Management and Reporting System. The Auditing Department has undertaken a project to create a database to account for and monitor the City's fixed assets. Upon completion of the project the City will be able to remove qualifications from its General Purpose Financial Statements. It will also allow the City to control capital asset activity.

For Fiscal Year 1993 and Beyond

FY-1993 Budget. The City has again reduced its fiscal year budget to reflect further reductions in available revenues. On the revenue side, a \$35.2 million increase in the net property tax levy is offset by significant reductions in departmental, Health & Hospital and 121A excise revenues totalling \$34.3 million. Further more, unlike FY-92, the City does not expect to be in a position to appropriate from budgetary fund balance.

The City's FY-93 budget includes \$1.3 billion in estimated expenditures for direct departmental services and fixed expenses, representing a decrease of \$22.6 million or 1.7% from FY-92. Further reductions in departmental budgets were necessary due to a nearly \$19 million increase in the four major fixed expenses: pensions, debt service, health benefits, and state assessments. Total City funded employment, already reduced by 1,263 full-time equivalent employees since January, 1991 will be further reduced during the last two quarters of FY-93. Additionally, there have been no salary increases built into the FY-93 budget. A \$21.6 million portion of the County Jails appropriation was moved "off-budget" along with the \$21.6 million portion of the City general revenue received from the Commonwealth. This reduction reflects a change of funding policy by the Commonwealth.

Total revenues anticipated for FY-93 amount to approximately \$1.3 billion, a decrease of \$25.3 million or 1.9%. The following are the five largest differences between the City's revenue sources in FY-92 and FY-93. The property tax levy (net of overlay reserve) was up \$35.2 million or 6.3%. State aid was down \$21.7 million mainly due to the change in funding method for the County Jails. Departmental income is down by \$15.6 million or 10.6% because of significant one-time payments received from 121A properties in FY-92. In addition, appropriations from the budgetary fund balance were down by \$10.9 million, and hospital receipts were down \$10.2 million or 6.1%.

State Funding. The FY-93 State budget increases educational funding to municipalities. This new aid is linked to educational reform. The School Department received \$8.5 million as off-budget educational funding.

State funding for County Jails became direct grant funding for the Suffolk County Sheriff's Department. State aid available for the general fund remained level funded except for a \$1.9 million increase in lottery aid offset by a decrease of roughly the same amount in the other State aid accounts.

Pensions. The City's funding for the employee retirement system, a fixed cost, will increase by 5.3% in FY-93. The City's revised pension funding schedule, adopted under Chapter 450 of the Acts of 1991, allows the city to fund a smaller amount in FY-93 than it did for any of the years from FY-84 through FY-91. The trend reflects the improvement in ratio of the pension assets to funding liability, as stated earlier.

Financial and Control Systems

Budgetary Basis. The financial information presented in the balance of the Introductory Section, with the exception of information on the General Fund undesignated fund balance, Enterprise Fund, and Trust and Agency Funds, has been presented on a budgetary basis of accounting. The discussion of the General Fund undesignated fund balance, the Enterprise Fund, and Trust and Agency Funds contains information which is presented in accordance with generally accepted accounting principles.

The budgetary basis has been defined by the Commonwealth for its cities, towns, and districts. It differs from generally accepted accounting principles primarily in the timing of the recognition of revenues and expenditures. A discussion of the differences is contained in the footnotes to the City's general purpose financial statements.

Internal Controls. The City's managers are responsible for both establishing and maintaining an effective internal control structure. These controls are designed to reasonably assure that the City's assets are protected from loss, theft, or misuse. The controls also help to assure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles.

The internal control structure is designed to provide a reasonable, but not absolute, assurance that these control objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires judgements and estimates by management.

The City Auditor is responsible for evaluating the adequacy and effectiveness of the control structure. A periodic evaluation of the control structure's effectiveness is conducted by the Auditing Department.

Single Audit. The Single Audit Act of 1984 (PL 98-502) requires the City to annually conduct an audit of the Federal financial assistance it has received. This audit is conducted simultaneously with the City's annual financial statement audit. The audit must also comply with the Office of Management and Budget's Circular A-128.

A significant portion of the Single Audit work is devoted to evaluating the City's internal control structure. The evaluation includes tests of a significant number of individual grant transactions that occurred during the fiscal year. This evaluation also requires that the auditor, "Determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal financial assistance program."¹ All of the City's major federal programs (those programs with annual expenditures of more than

¹ Source: Office of Management and Budget, Circular A-128 Audits of State and Local Governments, paragraph 8.b.

\$3 million) are evaluated. A sample of non-major programs are also evaluated for the adequacy of the internal control structure by the auditors.

The City's Single Audit report for the year ending June 30, 1992 provided no instances of material weaknesses in the internal control structure, nor were any significant violations of the applicable laws and regulations found. The Single Audit report for the period ending June 30, 1992 had not been completed at the time the CAFR was prepared. The report will be publicly issued under a separate cover.

Financial System. The Auditing Department maintains an integrated computerized financial accounting system for its accounting, revenue, and expenditure functions. This system provides the City with increased control over its financial assets and allows the preparation of financial reports and statements in a timely manner. Additionally, the system allows the City to account for and prepare reports and statements on a budgetary basis.

The Auditing Department also maintains an encumbrance accounting system. This system accounts for the City's purchase orders, service orders, and other contractual commitments.

Budgetary Controls. In addition to its internal control structure the City also maintains budgetary controls. The objective of these controls is to ensure compliance with the legally mandated budget enacted by the City Council. Activities of the General Fund are included in the annual budget. The budgets within the Special Revenue Fund are established based on specific grant requirements or specific legislation. The activities of the City's Capital Projects Fund are also approved by the City Council, and specific project budgets are established for each of the projects. These budgetary controls reside within the City's financial system.

The level of budgetary control is established by the function and activity within the individual fund. Budgetary control in this context means the level at which expenditures cannot legally be exceed the appropriated amount. In the case of the General Fund this control is at the department level. In the case of the Special Revenue and Capital Projects Funds the control is at the grant or project levels respectively.

General Fund Revenue Summary

The General Fund revenues are grouped into the following 12 categories:

Property Taxes

These taxes are levied annually and are the largest single revenue source for the City. The City's tax rate for FY-92 was \$11.18 per \$1,000 of assessed value for residential real estate and \$34.27 per \$1,000 for commercial real estate and personal property taxes.

<i>Motor Vehicle Excise Taxes</i>	This group is composed of the excise taxes levied on motor vehicle or boat owners who garage their vehicles or port the boats in Boston. State law sets a rate of \$25.00 per \$1,000 of assessed value for these taxes.
<i>Other Excise Taxes</i>	This group is comprised of Hotel/Motel Room Excise, Aircraft Fuel Excise, and Condominium Conversion taxes.
<i>Departmental Revenue</i>	This group consists of various departmental charges for services. Street Cuts and Repairs, Prior Year Reimbursements, and revenues from City owned parking facilities are the major sources of revenue in this category.
<i>Hospital</i>	Revenues from private insurers, Medicare/Medicaid, and individuals for in and out patient services. It also includes reimbursements for care at the City's long term health care facility.
<i>State Distributions</i>	State entitlements, payments in lieu of taxes for the Commonwealth's facilities, and for services performed by the City on behalf of the Commonwealth.
<i>In Lieu of Taxes</i>	Negotiated payments received from various not for profit organizations, colleges and universities, and Chapter 121A urban development corporations.
<i>Licenses and Permits</i>	Building permits, occupational licenses, alcoholic beverages, and cable television fees.
<i>Investment Income</i>	Interest earned on the City's overnight and long term investments.
<i>Fines</i>	Parking fines, fines, forfeits and costs levied by the district, municipal, and superior courts within the City.
<i>Sale of Property</i>	The annual portion of the deferred revenue generated from the sale of a City owned garage (Kilby Street) in 1986. These payments are scheduled to continue for the next nine fiscal years.
<i>Other Financing Sources</i>	Transfers from other funds and use of the General Fund's undesignated fund balance.

The following table is a comparison of the General Fund revenue for FY-92 and FY-91.

**Comparative General Fund Revenues and Other Financing Sources
Budgetary Basis
(\$ Millions)**

	1992		1991		Increase / (Decrease)	
	\$	%	\$	%	\$	%
Property Taxes	555.5	41.9	529.1	38.7	26.3	5.0
Motor Vehicle Excise	18.9	1.4	18.9	1.4	(0.1)	0.3
Other Excise Taxes	56.8	4.3	28.1	2.1	(28.7)	102.2
Departmental Revenue	31.1	2.4	38.0	2.8	(6.9)	(18.1)
Hospital	168.2	12.7	179.9	13.2	(11.7)	(6.5)
State Distributions	353.1	26.7	423.7	31.0	(38.0)	(16.7)
In Lieu of Taxes	31.8	2.4	21.3	1.6	10.5	49.3
Licenses and Permits	16.1	1.2	13.5	1.0	2.6	19.0
Investment Income	10.6	0.8	14.5	1.1	(3.9)	(26.8)
Fines	48.9	3.7	52.6	3.8	(3.7)	(7.0)
Sale of Property	12.5	0.9	0.5	0.0	12.0	100.0
Other Financing Sources	20.7	1.6	47.9	3.5	(27.2)	(56.8)
Total Revenues	<u>1,324.2</u>	<u>100.0</u>	<u>1,368.0</u>	<u>100.0</u>	<u>(43.8)</u>	<u>(3.2)</u>

Fiscal 1992 was the first time in the last decade in which the City had reductions in General Fund revenues. These reductions were primarily due to reduction in State Aid for the second straight year. State Distributions decreased by \$38.0 million in FY-91 and by additional \$38.0 million for FY-92. In response to these reductions, the city has struggled very hard to maintain a balanced budget. During the two years there have been no collective bargaining increases, a reduction of work force through layoffs and attrition, consolidation of smaller department, the closing of one of the three City's hospitals, use of the City's available free cash (unobligated fund balance), use of one time revenues generated by sale of city property, and adjusted funding of the city's pension fund requirement.

Total revenues for FY-92 amounted to \$1.3 billion, a decrease of \$43.8 million from FY-91. Property tax revenues increased by \$26.3, due to an increase in tax rates and new growth. In Lieu of Tax receipts increased by \$10.5 million primarily due to a one time payment from chapter 121A properties. The city also used revenues of \$12.0 million, from the sale of city-owned land to the Commonwealth for the Central Artery Project. The revenue increases were offset by a total decrease in all the other revenue sources. The largest revenue decreases were in Departmental and Other revenues (\$6.8 million), State Distributions (\$38.0 million), Hospital revenues (\$11.7 million), and the Other Financing Source (\$27.2 million).

Note: Chapter 121A- Section 10 funds, budget of \$31.4 million and actual revenue of \$32.2 million are re-classified from State Distribution to Other Excise taxes for fiscal 1992.

General Fund Expenditure Summary

The City's General Fund is grouped into the following expenditure functions.

<i>General Government</i>	This function accounts for the services provided by the legislative and executive branches. Expenditures which cannot be accounted for in other categories are included here.
<i>Human Services</i>	This function accounts for the expenditures used to provide direct services to the City's residents. It includes such departments as Veteran Services and the Commissions on the Affairs of the Elderly and Persons with Disabilities. This function also included the necessary close out costs for the Mayor's Office of Jobs and Community Services as it transferred to the Economic Development and Industrial Commission in July 1990.
<i>Public Safety</i>	Public safety functions including the Police, Fire, and Inspectional Services Departments.
<i>Public Works</i>	Includes expenditures for maintaining the City's infrastructure, refuse collection, and snow removal.
<i>Property and Development</i>	Maintenance of City owned properties and the development of land taken in tax title proceedings.
<i>Parks and Recreation</i>	Maintenance of the City's parks and cemetery facilities. Year round recreational opportunities are provided to City residents through the expenditures in this category.
<i>Libraries</i>	Operations of the City's library system.
<i>Schools</i>	Support for the school system's activities.
<i>Health and Hospitals</i>	This function accounts for the health care expenditures of the Department of Health and Hospitals (DH&H), BCH, the chronic care facility maintained by the City during FY-92 and the Community Outreach Program.
<i>County Corrections</i>	Expenditures to support the maintenance of the two correctional facilities where prisoners are incarcerated.
<i>Judgements and Claims</i>	Expenditures for legal settlements.

<i>Employee Benefits</i>	Accounts for the City's portion of the various benefits it provides.
<i>Contributions To Retirement</i>	Expenditures for the City's portion of its employees' retirement benefits.
<i>Debt Requirements</i>	Accounts for the annual portion of the City's debt service.
<i>State & District Assessments</i>	Accounts for the costs of various State charges for services provided and independent authorities and commissions whose budget is in part funded by the City through these assessments.

**Comparative General Fund Expenditures
Budgetary Basis
(\$ Millions)**

	1992		1991		Increase (Decrease)	
	\$	%	\$	%	\$	%
General Government	36.6	2.8	43.7	3.2	(7.1)	(16.3)
Human Services	5.4	0.4	6.6	0.6	(1.2)	(8.3)
Public Safety	245.7	18.6	245.0	17.9	0.6	0.3
Public Works	51.9	3.9	65.1	4.8	(13.2)	(0.9)
Property and Development	21.7	1.6	25.9	1.9	(4.2)	(4.8)
Parks and Recreation	11.3	0.9	13.3	1.0	(2.1)	(7.6)
Libraries	20.6	1.6	21.8	1.6	1.2	(0.5)
Schools	382.0	28.9	389.0	28.5	(7.0)	(1.8)
Health and Hospitals	183.0	13.9	194.4	14.2	(11.3)	4.1
County Corrections	32.2	2.4	30.9	2.3	1.2	17.0
Judgements and Claims	10.2	0.8	6.7	0.5	(3.5)	5.6
Employee Benefits	68.9	5.2	64.2	4.7	4.7	7.3
Contributions to Retirement	114.0	8.6	121.7	8.9	(7.7)	(6.4)
Debt Requirements	85.8	6.5	85.7	6.3	0.1	0.1
State Assessments	52.4	4.0	51.3	3.8	1.1	2.0
Total Obligations	<u>1,321.6</u>	<u>100.0</u>	<u>1,365.5</u>	<u>100.0</u>	<u>(43.9)</u>	<u>(3.2)</u>

Expenditures for the year amounted to \$1.32 billion, a decrease of \$43.9 million from \$1.36 billion in FY-91. This decrease was due to implementing across the board spending cuts and tighter spending controls for FY-92. Only expenditures for Public Safety, County operations, Judgement and Claims, Employee Benefits, and State Assessments increased over the FY-91 level. These increases were offset by a total decrease in all the other expenditure lines. The major expenditure decreases were for General Government operations (\$7.1 million), Public Works (\$13.2 million), School Department (\$7.0 million), Health and Hospitals (\$11.3 million), and Pension costs (\$7.7 million).

The City's major investment is in its employees. The following table provides a summary of the General Fund's expenditures by object code. The table shows that 52.5% of the 1992 expenditures related to personnel services costs. Fixed costs were an additional \$244.5 million or 18.5% of the total FY-92 expenditures.

General Fund Expenditures By Object Class
(\$ Millions)

Object Class	1992		1991	
	\$	%	\$	%
Personnel Services	694.4	52.5	715.1	52.4
Contractual Services	127.9	9.7	147.3	10.8
Supplies and Materials	63.3	4.8	80.3	5.9
Current Charges and Obligations	85.2	6.4	84.5	6.2
Equipment	43	3.3	47.2	3.5
Special Appropriations	45.7	3.5	40.0	2.9
Structures and Improvements	17.4	1.3	0.7	0.1
Land and Non-Structural	0.1	0.0	0.4	0.0
Retirement Services	106.3	8.0	113.0	8.3
Debt Service	85.8	6.5	85.7	6.3
State Assessments	52.4	4.0	51.3	3.8
Total	<u>1,321.5</u>	<u>100.00</u>	<u>1,365.5</u>	<u>100.00</u>

Cash Management

The City's Collector-Treasurer uses pooled cash and investments for all eligible City funds. The goal of this pool is to maximize income while minimizing exposure and ensuring sufficient liquidity to meet the City's payment obligations. All City funds are pooled except for trust funds, certain grant funds, and bond proceeds. The investment of the funds not included in the pool are controlled by various trust agreements, grant regulations, and bond trustee agreements, respectively.

The Collector-Treasurer sets the City's investment policies. These policies are governed by portions of Massachusetts General Laws Chapters 29 and 41. The Commonwealth also has a list of approved securities and other investments that the City may use as part of its pool. These approved investments include: (1) securities that have been issued or unconditionally guaranteed by the U.S. government or its agencies with a maturity date of less than one year from the date of purchase; (2) demand, term, and certificates of deposit; (3) repurchase agreements that have a maturity of less than one year guaranteed with U.S. government or its agencies securities with a maturity of less than 90 days; (4) bonds issued by other states; and (5) interest rate swaps. Additionally, demand, term, and certificates of deposit must be collateralized when they exceed certain levels. Generally, the City's

investment policy centers around receiving a competitive yield for its investible cash and minimizing credit and market risks.

All investment earnings, with certain specific exceptions, are included in the General Fund's investment income account. On June 30, 1991 the Collector-Treasurer reported total cash and investments of \$530.1 million. During FY-91 the Collector-Treasurer received an average yield of 7.5% on the investable cash. On June 30, 1992 the Collector-Treasurer reported a cash and investments balance of \$404.5 million. The FY-92 average yield was 4.7%.

Risk Management

The City is self insured in most areas of risk including general liability, auto liability (except school buses), workers compensation, unemployment compensation, and real property. In addition the City self insures certain medical personnel employed by DH&H, for medical malpractice. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Settlements of legal claims are paid through the City's claims and judgements account in the General Fund. These claims are accounted for on a pay as you go basis.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of health maintenance organizations (HMOs) and Blue Cross and Blue Shield of Massachusetts (BCBS). BCBS acts as a third party agent administering the payments and claims for the City. The operations of the BCBS plans are accounted for in a separate Health Claims Trust Fund. Costs to the City for the HMOs are accounted for in the General Fund as part of employee benefits.

General Fund Undesignated Fund Balance

The General Fund undesignated fund balance represents the City's reserve for a rainy day. This reserve may help the City to withstand unexpected emergencies, revenue shortfalls, or unanticipated expenditures.

The budgetary basis undesignated fund balance, as of June 30, had increased from \$41.9 million in FY-86 to \$125.9 million in FY-90, a 200% increase. In FY-91 the undesignated fund balance was reduced to \$64.2 million, a 49% decrease. Much of the increase in the undesignated fund balance through FY-90 can be attributed to a strong local economy. The decrease as of FY-92 was necessary to preserve the City's services. At the close of FY-92 the undesignated fund balance was 5.8% of the City's total General Fund revenues.

The City also used undesignated fund balance to provide supplemental appropriations to departments during the fiscal year and to provide additional revenues during the tax rate setting process. The use of the City's fund balance for these purposes must be pre-approved by the Commonwealth's Department of Revenue. This approval process is known as the

certification of "free cash". Figure 1 illustrates that in FY-87 the City began using free cash to supplement appropriations to various departments of the City. Beginning in FY-90 free cash was also used to provide the City with additional revenues for setting the tax rate. This use of free cash reached its height in FY-91 with the commitment of \$38.6 million. An additional \$10.9 million was appropriated by the City Council to support the FY-92 tax rate.

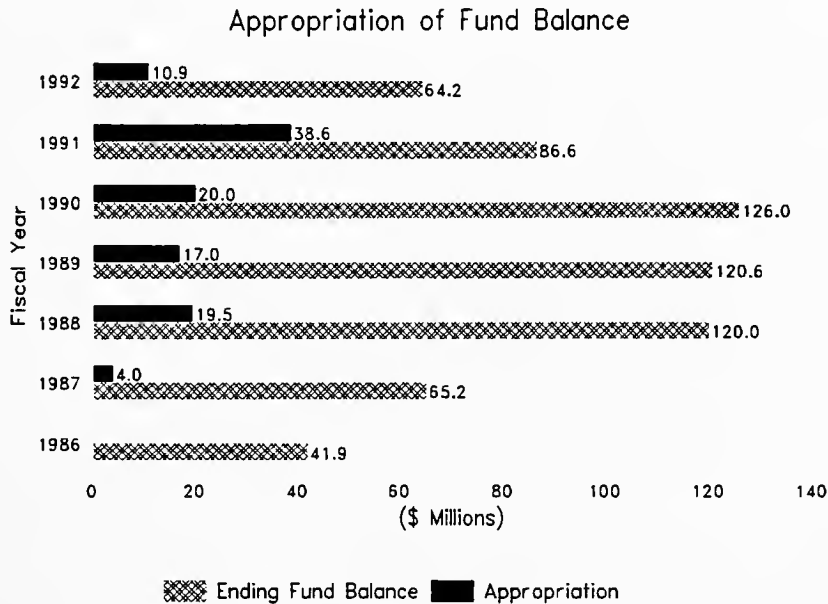


Figure 1

Capital Improvement Program

For the past seven years, the Office of Capital Planning has prepared an annual capital budget. These spending plans have resulted in the initiation of more than 850 revitalization projects. At present, more than half of these projects have been completed or in progress. The result is, new fire fighting trucks and equipments; reopened police stations and community centers; a refurbished park system; and the construction of a new Boston City Hospital.

The FY-92 \$1.13 billion five year Capital Plan contains over \$106 million in new investments and it furthers the City's commitment to buildings, schools, parks, hospitals and roadways. Since its inception, the Capital Plan has comprehensively examined the needs of the City's capital stock and has emphasized long-term planning and solid financial management. This foundation has enabled the capital program to correct decades of previous under investment and to respond to emerging program goals of City Departments. Following is the capital budget summary by department or use for FY-92 to FY-96.

Capital Project Budget By Department Or Use
(\$ Millions)

<u>Department or Use</u>	<u>\$</u>	<u>%</u>
Economic Development and Industrial Corp.	6.6	0.7
Fire Department	21.2	2.3
Recreation Facilities	27.2	3.0
Boston Redvelopment Authority	16.4	1.8
Police Department	69.5	7.6
Libraries	35.3	3.9
Parks and Cemeteries	67.4	7.4
Municipal and Historic Facilities	70.6	7.8
Public Schools	144.9	15.9
Health and Hospitals	187.1	20.6
Public Works	262.8	28.9
Current Project Needs	<u>909.1</u>	<u>100.0</u>

Following is a brief summary of major accomplishments of the City's capital program, "Rebuilding Boston", further detail is provided in the five year Capital Plan published by the City's Public Facilities Department.

Infrastructure

Since 1985, the City has reconstructed or resurfaced 245 miles of roadways, reconstructed 160 miles of sidewalks, installed 8,200 new street lights, rehabilitated 12 bridges and upgraded traffic signals at 43 intersections.

Health Care

The construction of a new inpatient facility at Boston City Hospital (BCH) is 80% complete and is scheduled to open in 1993 to provide high quality public health care to all people.

In October 1992, a new \$1.2 million residence and day care center for Children with AIDS or who are HIV positive was opened in Mattapan. It will be a home for 12 children and provide day care services for an additional 20 children.

A \$9.2 million renovation at the Mattapan Chronic Disease Hospital was completed which completely redesigned three patient floors, nursing stations, the lobby area and elevators of this 73 year old facility.

Five neighborhood health centers across the City have been renovated with the support of the George Robert White Trust Fund and renovations are currently underway at three other locations.

Seven ambulance facilities have been newly constructed across the City. Plans are underway to build two additional ambulance bays.

Parks and Recreation

Since 1985, the City has committed \$95 million to 220 park improvement projects. To date, 138 parks and playgrounds have already been renovated.

To date, 2,900 trees have been planted in an effort to "green the City."

Close to \$11.6 million has been dedicated to renovate and restore the buildings which support the City's open space, such field houses and maintenance facilities. In addition, a new Visitor Information Center is planned for Boston Common.

Citywide recreation and pool facilities have been renovated and additional renovations are underway.

A \$20 million first phase of restoration is underway at the City's central library and an initiative is in progress to renovate all 26 neighborhood branch libraries.

School System

Sixty-four percent of the City's students now attend school in facilities which have been renovated since 1985. When projects that are currently in progress are completed, 71% of the students in Boston's public schools will be learning in renovated facilities.

To date, 126 of the Capital Plan's 166 school improvement projects are completed, another 9 are in construction, 10 are in design and 21 are in the planning stages.

Debt Administration

At June 30, 1992 the City had \$566.2 million in direct debt outstanding. This debt consists primarily of general obligation bonds, that included both term and serial issues. An additional \$169.3 million in revenue bonds for the reconstruction of Boston City Hospital were also outstanding.

The ratio of the City's bonded general obligation debt to the assessed valuation continues to remain favorable. At June 30, 1992 this ratio was 1.99% and the debt per capita was \$964.00. These amounts are somewhat comparable with the 1.56% and the \$926.30 at June 30, 1991. Additional analysis of the City's debt position has been included in the Statistical Section of this CAFR.

The City's bond rating remained stable in FY-92. Moody's and S&P rated the Boston City Hospital Revenue Bond issue as Aa and AA, respectively. The City continues to follow prudent fiscal policies and practices to maintain these favorably credit ratings.

Operations of the Enterprise Funds

The City's Enterprise Fund consists of the operations of the DH&H, the Trustees of Health and Hospitals, and the Economic Development and Industrial Corporation (EDIC). The largest of these is the DH&H. As a group the funds reported an increase in fund equity of \$2.1 million from FY-91 to FY-92. Figure 2 graphically depicts the combined retained earnings for FY-92 and the past five years.

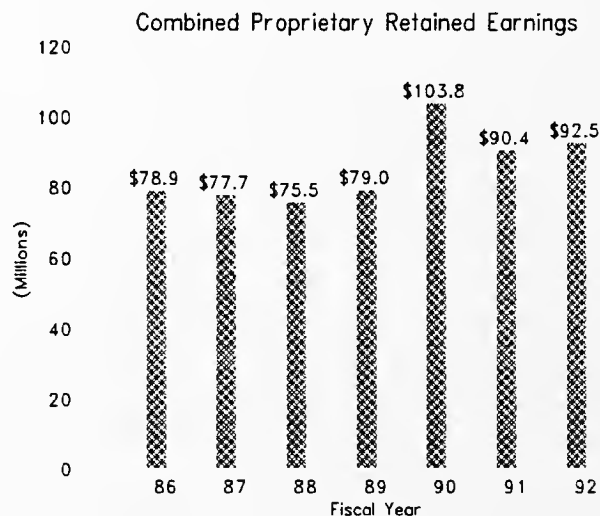


Figure 2

Trust and Agency Funds

The Trust and Agency Funds are used to account for trustee and agency relationships that the City maintains with its employees, other governments (Federal and Commonwealth), private corporations and individual donors and benefactors.

The City's largest Trust Fund is the State-Boston Retirement System (SBRS). Additional detail on this fund is included in the following section. The Trust Funds also includes the operations of two other pension systems the Boston Retirement System and the Health and Hospital Pension Trust.

The resources of the nonexpendable and expendable trust funds are used primarily to provide additional benefits to the City's residents and the City's employees. Monies from these funds are used for certain infrastructure improvements, purchase of equipment, scholarships for Boston Public School students, and jobs and affordable housing for the neediest residents of the City.

The City also holds funds as an agent primarily for other governmental units. Most of the funds held within the agency fund provide for urban development and housing initiatives.

As a group in FY-91 the individual trust and agency funds had a total equity of \$1.100 billion. The employee retirement funds accounted for approximately \$1.015 billion of the total fund equity. As of June 30, 1992 the combined fund equity for the Trust and Agency Funds was \$1.273 billion with the pension funds accounting for 92.9%, \$1.183 billion, of this total.

Pension Funds

The City is the largest member of the State-Boston Retirement System (SBRS). SBRS is a cost sharing multiple employer public employee system operated under Chapter 32 of the Massachusetts General Laws. As of June 30, 1991 SBRS total assets had exceeded \$1 billion. An unaudited footnote detailing the distribution of the \$1.024 billion of SBRS cash and investments has been provided in the footnotes to the City's general purpose financial statements.

Currently, SBRS is funded through contributions by City employees and the City. The City's contribution mandated by the Commonwealth's Public Employee Retirement Administration (PERA) and is currently on the pay-as-you-go method. This method will change in FY-94 to an actuarially determined contribution amount as the result of the City's acceptance of Chapter 697 of the Acts of 1988. Chapter 697 also mandates that the City make sufficient contributions to fully fund its unfunded actuarial liability over a forty year period.

The City also operates the Boston Retirement System (BRS). BRS is the predecessor to SBRS and is open to employees and retirees of the City whose employment began prior to

1946. BRS is also funded on a pay-as-you-go basis, however, it was not subject to Chapter 697 and will continue to be funded using the same basis.

The footnotes to the financial statements provide information about the accumulated pension benefit obligation of the SBRS as of June 30, 1992. The City portion of the accumulated pension benefit obligation and the net assets available to fund this obligation has also been included.

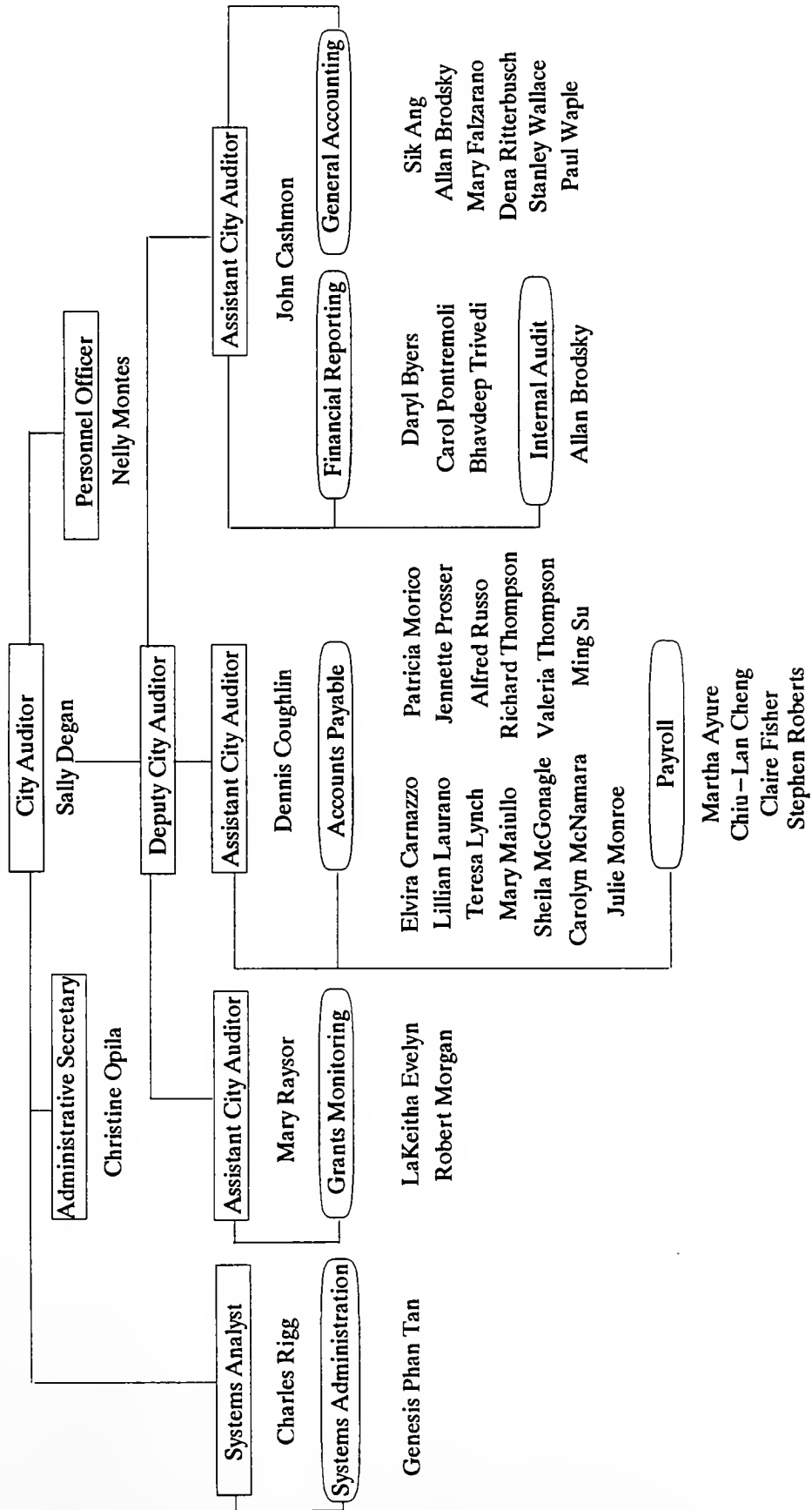
Other Information and Acknowledgements

Awards. The Government Finance Officers Association (GFOA) has awarded a Distinguished Budget Presentation Award to the City for the Fiscal Year beginning July 1, 1991. In order to be awarded a Distinguished Budget Presentation Award the City published a budget document that meets the program criteria as (1) a policy document, (2) an operations guide, (3) a financial plan, and (4) a communications medium.

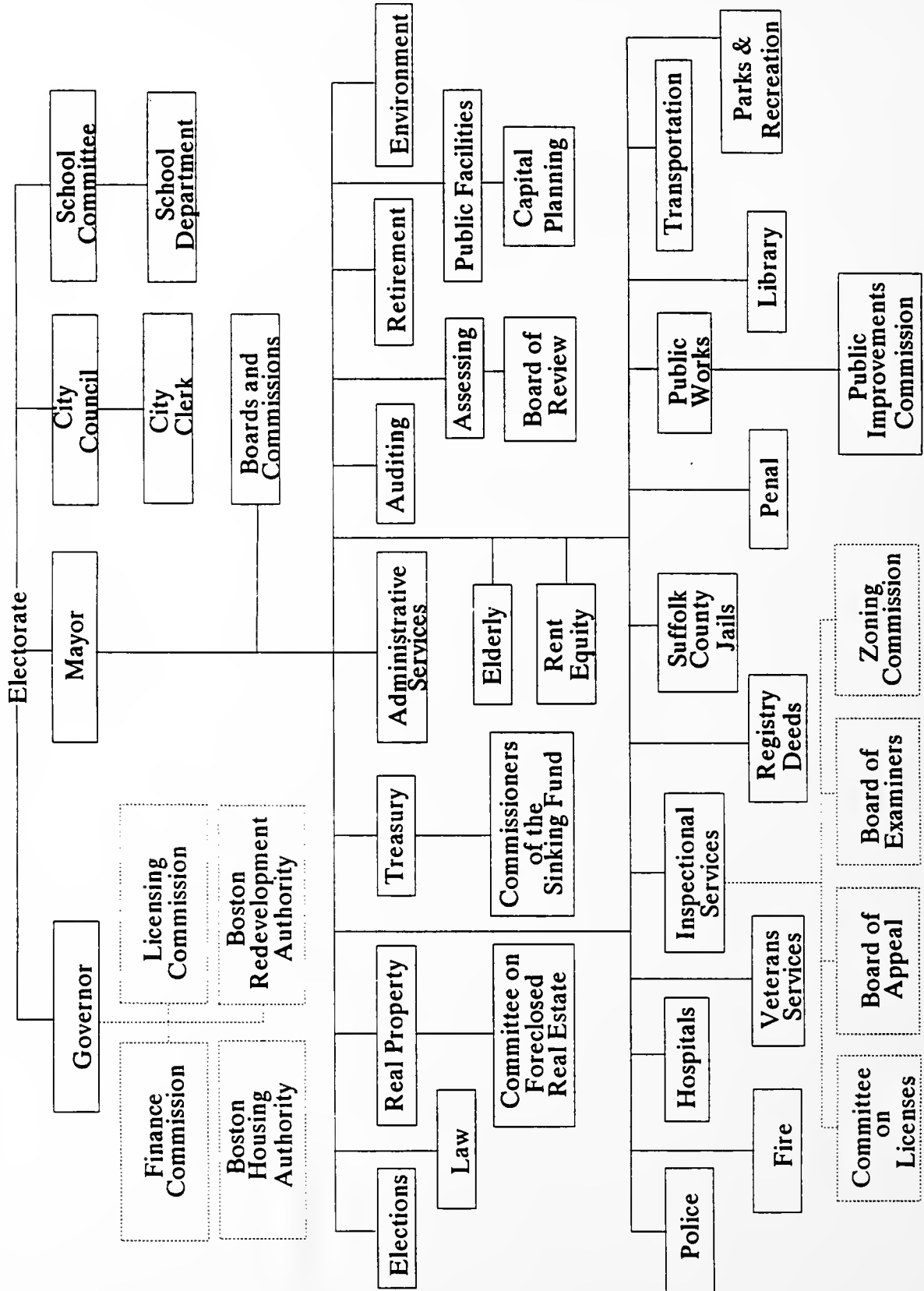
Independent Audit. Chapter 190 of the Acts of 1982 requires the City to obtain an annual audit by independent certified public accountants. The accounting firm of KPMG Peat Marwick was selected by the City Auditor to perform this audit. In addition to meeting the Commonwealth's statutory requirements, the audit was also designed to meet the requirements of the Federal government's Single Audit Act and the related Office of Management and Budget Circular A-128. Their opinion on our financial statements has been included in the Financial Section of this CAFR with the City's general purpose financial statements. The auditor's reports on the Single Audit were not available at the time this CAFR was prepared and will be issued separately.

Acknowledgements. The preparation of the CAFR was made possible by the professionalism and dedication of the entire staff of the Auditing Department. The Auditing Department staff who have significantly contributed to the preparation of the CAFR have been listed at the conclusion of this section. Several other City departments also assisted the Auditing Department in the preparation of the CAFR. We gratefully acknowledge their efforts and contributions to this report. We also wish to thank the professional staff of KPMG Peat Marwick, for their advice, technical assistance, and encouragement in the preparation of this CAFR.

AUDITING DEPARTMENT – ORGANIZATIONAL CHART



ORGANIZATION OF BOSTON'S CITY GOVERNMENT



LIST OF ELECTED OFFICIALS

Mayor

Raymond L. Flynn

City Council Members

Albert L. O'Neil, President	At Large
Bruce C. Bolling	At Large
John Nucci	At Large
Rosaria Salerno	At Large
Robert E. Travaglini	District 1
James M. Kelly	District 2
James E. Byrne	District 3
Charles C. Yancey	District 4
Thomas M. Menino	District 5
Maura A. Hennigan–Casey	District 6
Anthony Crayton	District 7
David Scondras	District 8
Brian J. McLaughlin	District 9

Sheriff of Suffolk County

Robert Rufo

Registrar of Deeds Suffolk County

Paul Tierney

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FINANCIAL SECTION

This section is comprised of the independent auditor's report, general purpose financial statements and the combining and comparative fund statements.

Certified Public Accountants

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Boston, MA 02108Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

Independent Auditors' Report

The Honorable Mayor and City Council of the
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1992, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts that aggregate the following percentages of total assets and revenues of the respective funds and account groups:

<u>Fund/Account Group</u>	<u>Percentage of</u>	
	<u>Total assets</u>	<u>Total revenues</u>
Special Revenue	8%	- %
Capital Projects	25	38
Enterprise	13	8
Trust and Agency	9	3
General Fixed Assets	100	-
General Long-Term Debt	1	-

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for those entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

The General Fixed Assets Account Group (GFAAG) only includes the cost of the general fixed assets of the Boston Redevelopment Authority, a component unit. The general fixed assets of the City have not been presented as required by generally accepted accounting principles.

The Honorable Mayor and City Council of the
City of Boston, Massachusetts

In our opinion, based on our audit and the reports of the other auditors, and except that the omission of the City's general fixed assets from the GFAAG results in an incomplete presentation, as described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Boston, Massachusetts, as of June 30, 1992, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

KPMG Peat Marwick

December 11, 1992

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CITY OF BOSTON, MASSACHUSETTS
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1992
(in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES			ACCOUNT GROUPS		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Assets	Fixed Assets	Long-Term Debt	Total (Memorandum only) 1992		
Assets												
Cash and investments (note 3)	\$ 112,298	67,352	-	124,540	12,343	1,255,350	-	-	-	1,571,883		
Restricted cash (notes 3 and 7)	-	-	5,948	5,128	125,232	755	-	-	-	137,063		
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):												
Property taxes	98,058	-	-	-	-	-	-	-	-	98,058		
Motor vehicle excise	18,028	-	-	-	-	-	-	-	-	18,028		
Intergovernmental	28,352	9,031	-	3,976	3,314	8,983	-	-	-	53,656		
Third-party payors	-	-	-	-	16,776	-	-	-	-	16,776		
Departmental and other	7,596	1,902	-	27,407	67,083	55,435	-	-	-	159,423		
Total receivables	152,034	10,933	-	31,383	87,173	64,418	-	-	-	345,941		
Inventories	-	-	-	-	1,356	-	-	-	-	1,356		
Due from other funds (note 6)	47,313	5,460	1,083	287	3,075	16,001	-	-	-	73,219		
Other assets	-	70	-	9,930	9,183	-	-	-	-	19,183		
Property, plant and equipment, net of accumulated depreciation (note 5)	-	-	-	-	171,581	191	385	-	-	172,157		
Amount available in debt service funds	-	-	-	-	-	-	-	-	5,948	5,948		
Amount to be provided for the retirement of general long-term obligations by (note 7):												
City of Boston	-	-	-	-	-	-	-	-	937,569	937,569		
Commonwealth of Massachusetts	-	-	-	-	-	-	-	-	147,400	147,400		
Boston Water and Sewer Commission	-	-	-	-	-	-	-	-	1,130	1,130		
Boston Redevelopment Authority	-	-	-	-	-	-	-	-	4,761	4,761		
Total assets	\$ 311,645	83,815	7,031	171,268	409,943	1,336,715	385	-	1,096,808	3,417,610		

See accompanying notes to general purpose financial statements.

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1992
(in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES			ACCOUNT GROUPS			Total (Memorandum only) 1992
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Assets	Fixed Assets	Long-Term Debt				
Liabilities													
Warrants and accounts payable	\$ 66,284	8,390	-	1,022	21,658	14,570	-	-	-	-	-	-	111,924
Accrued liabilities:													
Tax abatement refunds	46,700	-	-	-	-	-	-	-	16,400	-	-	-	63,100
Judgments and claims	-	-	-	528	2,581	-	-	-	10,460	-	-	-	13,569
Sick and vacation	-	-	-	-	6,090	-	-	-	75,942	-	-	-	82,032
Retirement costs (note 9)	-	-	-	-	26,195	-	-	-	376,102	-	-	-	402,297
Third party payors	-	-	-	2,538	-	-	-	-	-	-	-	-	2,538
Other	11,383	17,059	-	-	17,791	38,552	-	-	-	-	-	-	84,985
Intergovernmental	-	-	-	-	20,846	-	-	-	-	-	-	-	20,846
Due to other funds (note 6)	3,214	859	-	5,855	13,623	1,778	-	-	34,866	-	-	-	60,195
Deferred revenue	119,914	4,154	-	16,438	11,314	-	-	-	-	-	-	-	151,820
Matured interest and bonds payable	-	-	1,083	-	-	-	-	-	-	-	-	-	1,083
Obligations under capital leases (note 8)	-	-	-	-	1,942	-	-	-	16,843	-	-	-	18,785
Bonds, loans and notes payable (note 7)	-	-	-	9,900	195,411	8,096	-	-	566,195	-	-	-	779,602
Total liabilities	247,495	30,462	1,083	36,281	317,451	62,996	-	-	1,096,808	-	-	-	1,792,576
Fund Equity and Other Credits													
Investments in general fixed assets	-	-	-	-	-	-	385	-	-	-	-	-	385
Retained earnings	-	-	-	-	92,492	-	-	-	-	-	-	-	92,492
Fund balances:													
Reserved for:													
Encumbrances and continuing appropriations	6,304	17,314	-	68,892	-	3,123	-	-	-	-	-	-	95,633
Employee retirement systems	-	-	-	-	-	1,183,250	-	-	-	-	-	-	1,183,250
Debt service (note 7)	-	-	5,948	-	-	-	-	-	-	-	-	-	5,948
Unreserved:													
Designated	-	1,856	-	7,838	-	6,954	-	-	-	-	-	-	16,648
Undesignated	57,846	34,183	-	58,257	-	80,392	-	-	-	-	-	-	230,678
Total fund equity and other credits	64,150	53,353	5,948	134,987	92,492	1,273,719	385	-	-	-	-	-	1,625,034
Contingencies (note 12)													
Total liabilities and fund equity	\$ 311,645	83,815	7,031	171,268	409,943	1,336,715	385	-	1,096,808	-	-	-	3,417,610

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1992
(in thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	Total 1992 (Memorandum only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Local:						
Real and personal property taxes, net (note 4)	\$ 564,165	-	-	-	-	564,165
Excises	43,488	-	-	-	-	43,488
Payments in lieu of taxes	63,952	-	-	-	-	63,952
Fines	48,724	-	-	-	-	48,724
Investment income	10,167	66	19	556	2,711	13,519
Licenses and permits	16,057	28,651	-	-	-	44,708
Departmental and other revenue	30,829	-	-	22,857	81,926	135,612
Total local revenues	<u>777,382</u>	<u>28,717</u>	<u>19</u>	<u>23,413</u>	<u>84,637</u>	<u>914,168</u>
Intergovernmental:						
Federal	-	74,376	-	3,322	-	77,698
Commonwealth of Massachusetts	327,330	29,424	-	35,076	-	391,830
Other	-	-	702	-	-	702
Total intergovernmental revenues	<u>327,330</u>	<u>103,800</u>	<u>702</u>	<u>38,398</u>	<u>-</u>	<u>470,230</u>
Total revenues	<u>1,104,712</u>	<u>132,517</u>	<u>721</u>	<u>61,811</u>	<u>84,637</u>	<u>1,384,398</u>
Expenditures:						
Current:						
General government	38,825	1,389	-	-	1,386	41,600
Human services	5,356	1,824	-	-	1,632	8,812
Public safety	238,625	20,986	-	-	-	259,611
Public works	52,862	5,485	-	-	601	58,948
Property and development	22,102	-	-	-	-	22,102
Parks and recreation	10,557	3,570	-	-	1,576	15,703
Library	20,567	1,057	-	-	398	22,022
Schools	387,438	64,053	-	-	40	451,531
County	31,673	-	-	-	-	31,673
Judgments and claims	8,609	-	-	490	-	9,099
Other employee benefits	66,366	-	-	-	76,341	142,707
Retirement costs (note 9)	74,921	-	-	1,757	-	76,678
State and district assessments	52,407	-	-	-	-	52,407
Miscellaneous	620	-	-	-	-	620
Community development	-	20,491	-	-	-	20,491
Capital outlays	2,623	4,308	-	-	-	99,960
Debt service	-	-	-	93,029	-	93,029
Total expenditures	<u>1,013,551</u>	<u>123,163</u>	<u>85,992</u>	<u>3,045</u>	<u>-</u>	<u>89,037</u>
Excess (deficiency) of revenues over expenditures	<u>91,161</u>	<u>9,354</u>	<u>(85,271)</u>	<u>(36,510)</u>	<u>81,974</u>	<u>1,403,001</u>
Other financing sources (uses):						
Proceeds of debt and capital leases (note 7)	-	-	-	77,295	-	77,295
Operating transfer in (out), net (note 10)	(113,592)	(687)	83,429	(15,258)	(207)	(46,322)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(22,438)</u>	<u>8,667</u>	<u>(1,842)</u>	<u>25,527</u>	<u>2,456</u>	<u>12,370</u>
Fund balance, beginning of year	<u>86,588</u>	<u>44,686</u>	<u>7,790</u>	<u>109,460</u>	<u>33,882</u>	<u>282,406</u>
Fund balance, end of year	<u>\$ 64,150</u>	<u>\$ 53,353</u>	<u>\$ 5,948</u>	<u>\$ 134,987</u>	<u>\$ 36,338</u>	<u>\$ 294,776</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Statement of Revenues and Expenditures - Budgetary Basis

Year Ended June 30, 1992
(with comparative actual amounts for 1991)
(in thousands)

	<u>1992</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
Revenues:					
Real and personal property taxes, net	\$ 555,484	555,484	555,491	7	529,148
Excises	78,362	78,362	75,685	(2,677)	46,941
Commonwealth of Massachusetts	353,289	353,289	353,103	(186)	423,661
Health and hospitals	168,200	168,200	168,212	12	179,927
Departmental and other revenue	26,275	28,679	31,139	2,460	38,016
Fines	50,219	50,219	48,926	(1,293)	52,634
Payments in lieu of taxes	26,511	26,511	31,756	5,245	21,274
Investment income	16,200	16,700	10,610	(6,090)	14,504
Licenses and permits	14,930	14,930	16,057	1,127	13,492
Sale of property	12,500	12,500	12,516	16	500
Operating transfers from other funds	9,800	9,800	9,800	-	9,383
Other available funds	<u>10,907</u>	<u>10,907</u>	<u>10,907</u>	<u>-</u>	<u>38,569</u>
Total revenues, transfers and other available funds	<u>1,322,677</u>	<u>1,325,581</u>	<u>1,324,202</u>	<u>(1,379)</u>	<u>1,368,049</u>
Expenditures:					
Current:					
General government	36,768	37,771	36,594	1,177	43,725
Human services	5,214	5,714	5,399	315	6,612
Public safety	241,692	243,153	245,671	(2,518)	245,023
Public works	53,985	53,985	51,860	2,125	65,079
Property and development	21,598	21,924	21,704	220	25,905
Parks and recreation	10,860	11,360	11,264	96	13,349
Library	18,690	20,593	20,594	(1)	21,819
Schools	374,000	382,000	381,962	38	388,973
Health and hospitals	182,078	182,078	183,045	(967)	194,358
County	32,072	32,072	32,193	(121)	30,950
Judgments and claims	5,000	5,000	10,234	(5,234)	6,731
Other employee benefits	68,080	68,131	68,890	(759)	64,231
Pension costs	132,239	123,799	113,981	9,818	121,721
State and district assessments	52,323	52,323	52,408	(85)	51,343
Debt requirements	<u>88,078</u>	<u>85,678</u>	<u>85,758</u>	<u>(80)</u>	<u>85,679</u>
Total expenditures	<u>1,322,677</u>	<u>1,325,581</u>	<u>1,321,557</u>	<u>4,024</u>	<u>1,365,498</u>
Excess (deficiency) of net revenues available for appropriation over expenditures	\$ <u>-</u>	<u>-</u>	<u>2,645</u>	<u>2,645</u>	<u>2,551</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues, Expenses and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds

Year Ended June 30, 1992

(in thousands)

	<u>PROPRIETARY</u>	<u>FIDUCIARY</u>		Total
	<u>Health and Hospitals</u>	<u>Pension Trusts</u>	<u>Nonexpendable Trusts</u>	(Memorandum Only) <u>1992</u>
Revenues:				
Net patient service revenue	\$ 183,607	-	-	183,607
Investment income	1,369	46,915	5,818	54,102
Net appreciation in fair value of investments	-	149,666	-	149,666
Contributions and donations	-	177,436	651	178,087
Programs	51,115	-	-	51,115
Rental income	5,466	-	-	5,466
Intergovernmental	12,943	20,152	-	33,095
Miscellaneous	<u>11,043</u>	<u>41</u>	<u>269</u>	<u>11,353</u>
Total operating revenues	<u>265,543</u>	<u>394,210</u>	<u>6,738</u>	<u>666,491</u>
Expenses:				
Salaries and wages	111,170	-	-	111,170
Professional fees	18,587	67	2	18,656
Administrative and general	27,916	1,411	7	29,334
Materials and supplies	15,977	-	-	15,977
Depreciation	10,119	-	-	10,119
Retirement costs	5,018	-	-	5,018
Interest	5,388	-	-	5,388
Bad debts	29,974	-	-	29,974
Libraries	-	-	821	821
Benefits paid	-	159,157	-	159,157
Member refunds, and transfers and reimbursements to other systems, net	-	15,105	-	15,105
Subsidies for community services, special programs, and real estate operations	<u>83,362</u>	<u>-</u>	<u>14</u>	<u>83,376</u>
Total operating expenses	<u>307,511</u>	<u>175,740</u>	<u>844</u>	<u>484,095</u>
Operating income (loss) before operating transfers	(41,968)	218,470	5,894	182,396
Operating transfers in (out), net (note 10)	<u>42,232</u>	<u>-</u>	<u>(2,731)</u>	<u>39,501</u>
Net income (loss)	264	218,470	3,163	221,897
Fund equity, beginning of year	<u>92,228</u>	<u>964,780</u>	<u>50,968</u>	<u>1,107,976</u>
Fund equity, end of year	\$ <u>92,492</u>	<u>1,183,250</u>	<u>54,131</u>	<u>1,329,873</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds

Year Ended June 30, 1992
(in thousands)

	<u>PROPRIETARY</u>	<u>FIDUCIARY</u>	Total (Memorandum Only)
	<u>Enterprise Funds</u>	<u>Nonexpendable Trusts</u>	<u>1992</u>
Cash flows from operating activities:			
Operating income (loss)	\$ (41,968)	5,894	(36,074)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	10,831	-	10,831
Provision for bad debts	30,098	-	30,098
Changes in operating assets and liabilities:			
Investments	-	550	550
Accounts receivable	(24,160)	24	(24,136)
Intergovernmental receivables	38	-	38
Inventories	162	-	162
Other assets	(127)	-	(127)
Due to/from other funds	37,834	-	37,834
Accounts payable	(11,313)	-	(11,313)
Accrued retirement and vacation	(6,626)	-	(6,626)
Intergovernment payable	8,680	-	8,680
Third party payors	(22,361)	-	(22,361)
Other accrued liabilities	2,635	5	2,640
Deferred revenue	<u>360</u>	<u>-</u>	<u>360</u>
Cash provided (used) by operating activities	<u>(15,917)</u>	<u>6,473</u>	<u>(9,444)</u>
Cash flows from noncapital financing activities:			
Advances from grantors	(1,967)	-	(1,967)
Operating subsidy/transfers in (out)	<u>42,232</u>	<u>(2,731)</u>	<u>39,501</u>
Cash provided (used) by noncapital financing activities	<u>40,265</u>	<u>(2,731)</u>	<u>37,534</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(47,009)	-	(47,009)
Proceeds from debt	37	-	37
Payments received on loans receivable	103	-	103
Principal paid on debt maturities	(301)	-	(301)
Payments on lease obligations	(1,293)	-	(1,293)
Other transfers	56	-	56
Acquisition of capital leases	<u>24</u>	<u>-</u>	<u>24</u>
Cash provided (used) by capital and related financing activities	<u>(48,383)</u>	<u>-</u>	<u>(48,383)</u>
Increase (decrease) in cash and cash equivalents	(24,035)	3,742	(20,293)
Cash and cash equivalents, beginning of year	<u>161,609</u>	<u>3,021</u>	<u>164,630</u>
Cash and cash equivalents, end of year	\$ <u><u>137,574</u></u>	<u><u>6,763</u></u>	<u><u>144,337</u></u>
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ <u><u>17,638</u></u>	<u><u>-</u></u>	<u><u>17,638</u></u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(1) Summary of Significant Accounting Policies

The general purpose financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except that the City does not maintain records of the costs of its general fixed assets. Accordingly, the General Fixed Assets Account Group is incomplete. The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

(a) Reporting Entity

The City's general purpose financial statements include the operations of all organizations for which the Mayor and City Council exercise oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Financial statements for all entities included in the general purpose financial statements are for the year ended June 30, 1992, except for the Boston Redevelopment Authority, which is for the year ended September 30, 1991; the Trustees of Health and Hospitals of the City of Boston, Inc. which is for the year ended June 30, 1991; and the State-Boston Retirement System, which is for the year ended December 31, 1991.

Based on the aforementioned oversight criteria, the operations of the following entities have been included in or excluded from the accompanying general purpose financial statements:

Entities included in the general purpose financial statements:

- (1) Boston Redevelopment Authority (BRA). The Mayor appoints four of the five Authority Board members and the BRA functions as the planning agency of the City. The geographical limits are the same as those of the City and the City has a residual interest in the net assets.
- (2) Economic Development Industrial Corporation (EDIC). The Mayor appoints all seven of the Corporation's Board members and designates areas of the City as economic development areas.
- (3) State-Boston Retirement System (SBRS). The SBRS is a defined benefit contributory retirement plan covering employees of the City and certain other entities. The City Auditor is an ex-officio member of the SBRS Board and the City is the largest employer in the System.
- (4) Trustees of Health and Hospitals of the City of Boston, Inc. (THH). The THH provides grant and trust fund administration services to the Department of Health and Hospitals' programs. The Mayor appoints all members of the Board as well as the Chairman and Vice-Chairman.
- (5) Suffolk County. City operations include the County of Suffolk. Funds for the county are appropriated by the City Council as part of the annual general fund budget, and the City is ultimately responsible for any operating deficit. The County Sheriff and the Registrar of Deeds are elected officials.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Entities excluded from the general purpose financial statements:

- (1) Boston Housing Authority. Although the Mayor appoints the nine members of the Authority's Monitoring Committee and the City Council has confirmation powers over four of these members, the City is not directly or contingently liable for the Authority's operating or debt service expenses.
- (2) Boston Water and Sewer Commission. The Mayor appoints the Commission's Board members, but the City is not responsible for the Commission's debt or operating deficits.

(b) Basis of Presentation - Fund Accounting

The operations of the City are recorded in the following fund types and account groups:

Governmental Funds

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is upon determination of changes in financial position and the flow of current financial resources. The following are the City's governmental fund types.

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and similar trust funds).

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance (i.e., flow of economic resources).

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Fiduciary Funds

Trust and Agency Funds - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent. Trust funds include expendable trust funds, nonexpendable trust funds, and pension trust funds. Nonexpendable trust funds and pension trust funds are reported in a manner similar to proprietary funds (i.e., flow of economic resources measurement focus and accrual basis of accounting). Expendable trust funds are reported in a manner similar to governmental funds (i.e., flow of financial resources measurement focus and modified accrual basis of accounting). Agency funds are custodial in nature and follow the modified accrual basis of accounting but are not concerned with the measurement of results of operations.

Account Groups

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the governmental funds because they do not affect net expendable available financial resources. The following are the City's account groups.

General Fixed Assets Account Group (GFAAG) - This account group is used to account for fixed assets, other than those accounted for in proprietary funds and similar trust funds.

General Long-Term Debt Account Group (GLTDAG) - This account group is used to account for all long-term obligations of the City, except those accounted for in proprietary and similar trust funds.

(c) Basis of Accounting

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). Revenues not considered available are recorded as deferred revenues.

The City applies the susceptible to accrual criteria to property taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Motor vehicle and other excise, licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because these amounts are generally not measurable until actually received. Investment earnings are recorded as earned.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued judgments and claims, abatement refunds, pension costs and vacation and sick leave, which is recorded in the general long-term debt account group.

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

(d) Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds and nonexpendable trust funds consider investments with original maturities of three months or less when purchased to be cash equivalents.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year end.

(f) Inventory

Inventory of the proprietary funds is valued at the lower of cost (first-in, first-out), or market. Supplies and other inventorable items in governmental funds are recorded as expenditures at the time they are purchased (purchase method). No significant amount of inventory was on hand at June 30, 1992.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost or estimated historical cost, except for infrastructure which is not capitalized. Donated fixed assets are recorded at estimated fair market value at the date donated. Net interest costs in the proprietary funds are capitalized on projects during the construction period. The amount of interest cost incurred during the year was \$15.8 million of which \$3.1 million was capitalized. Depreciation is provided using the straight-line method over estimated useful lives ranging from 15 to 40 years for buildings, 5 to 25 years for improvements other than buildings, and 4 to 25 years for equipment.

(h) Compensated Absences

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of proprietary funds is recorded as earned. For other funds, the liability related to unused sick and vacation time is recorded in the general long-term debt account group. The amount recorded is the unused days earned at the current rate of pay.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(i) Arbitrage Rebate

Rebatable arbitrage earnings are calculated for the City by third parties and accounted for as a liability and a reduction of investment income in the general fund. At June 30, 1992, an accumulated arbitrage rebate of \$577,000 was recorded as a liability in the general fund.

(j) Self Insurance

The City is self insured in most areas of risk. This self insurance includes general liability, its vehicle fleet except for school buses, workers' compensation, unemployment compensation, and real property. In addition, the City self insures certain medical officers employed by the Boston City Hospital (BCH or the Hospital) and the Department of Health and Hospitals for medical malpractice. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Payments for the settlement of legal claims against the City are recorded as judgments and claims in the general fund.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations (HMOs) and Blue Cross - Blue Shield of Massachusetts (BC/BS). BC/BS acts as a third party agent for the City in the payment of the various claim plans used by the City. The City, employee, and retiree costs incurred for the operation of the BC/BS plans are accounted for in a separate health claims trust fund. Costs to the City for the HMOs are accounted for in the general fund as part of other employee benefits. The cost of post-employment health benefits to the City during 1992 was approximately \$24 million.

(k) Subsidy to the Department of Health and Hospitals

Subsidies provided by the City's general fund to the Department of Health and Hospitals (DHH) are based upon the modified accrual basis of accounting. The subsidy recorded by DHH is based on the full accrual basis except for property, plant and equipment and capital leases, which are accounted for on the modified accrual basis. The difference in the amounts of the subsidies is recorded in the general long-term debt account group.

(l) Net Patient Service Revenues

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(m) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(n) Third-Party Reimbursement

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- Under the federal Medicare program, inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge inclusive of capital-related expenses. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. Outpatient services are reimbursed on a retrospective basis subject to various limits and reductions mandated by Medicare. The Hospital is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report by the Hospital and subsequent audit of this report by the Medicare fiscal intermediary.
- Payments for services to patients covered under the State of Massachusetts Medicaid program and Blue Cross of Massachusetts are regulated under Chapter 495 of the Acts of 1991. Massachusetts hospital financing legislation Chapter 495 replaced Chapter 23, which expired on December 31, 1991.

Under Chapter 495, payments for services to Massachusetts Medicaid beneficiaries are based on a predetermined rate structure set by the Massachusetts Department of Public Welfare. Prior to Chapter 495, the Medicaid program was a discounted charge based payor.

Chapter 495 gives Blue Cross the right to negotiate contracts with each individual hospital instead of entering into a master contract covering all Massachusetts acute care hospitals. During 1992, the Hospital and Blue Cross entered into a Memorandum of Understanding (MOU). Under the MOU, the Hospital agreed to provide services to Blue Cross subscribers at a discount from established charges.

These agreements require the Hospital to prepare and file cost reports annually. Cost reports have been submitted for all prior years; final settlements have been made with Blue Cross of Massachusetts through 1987, Medicaid through 1982, and Medicare through 1987. Provisions have been made in the general purpose financial statements for the estimated final settlements with third-party payors. The difference between the amount provided and the actual final settlement is recorded as an adjustment to net patient service revenue in the year the final settlement is determined.

A statewide pool exists to fund uncompensated care. Each hospital's allowable charges are adjusted to reflect statewide uncompensated care experience. Amounts are paid to or withdrawn from the pool based upon the relationship of an individual hospital's experience to the statewide averages. The Hospital has provided for its estimated final settlements with the uncompensated care pool.

State rate setting regulations impose a ceiling on each hospital's annual non-Medicare gross inpatient service revenue. The Hospital has not exceeded its allowable revenue at June 30, 1992.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The Hospital has open settlements with the State of Massachusetts Medicaid program for the years 1983 through 1991 and has made provisions in the financial statements for the estimated final settlements. However, for the years 1988 through 1991, a question still exists with respect to whether payments made by the Massachusetts Medicaid program were in excess of the reimbursements due under the federal upper limit requirements and whether the Hospital was entitled to an adjustment in its Medicaid payments for the extraordinary disproportionate share adjustment ("EDSA") as outlined in the State Rate Setting Commission's (the "Commission") regulations. The amount of the federal upper limit adjustment and EDSA and their impact on Boston City Hospital, is still in question. Presently, the Commission is being sued by the Massachusetts Hospital Association ("MHA") alleging improper implementation of the upper limit on Medicaid reimbursement to Massachusetts hospitals.

At this time, it is uncertain as to the ultimate outcome of the MHA lawsuit with the Commission with respect to the federal upper limit. Furthermore, it is uncertain as to the ultimate realization of the EDSA from the State of Massachusetts Medicaid program should the Commission's current federal upper limit liability estimates be upheld in court. The inability of the Hospital to realize the EDSA from the Medicaid program to help offset the potential liability of the federal upper limit liability would result in the Hospital having a significant liability to the Medicaid program. However, should MHA prevail, the Hospital could be favorably impacted.

(o) Change in Accounting Principle

As of June 30, 1992, the City recorded revenue, on a budgetary basis, for certain hospital receipts, including certain third-party reimbursement settlements for prior fiscal years, not received until September and October 1992. This treatment represented a change in the way in which the City recognizes such receipts from a cash to a modified accrual basis of accounting. This change resulted in additional revenue, on a budgetary basis of approximately \$31 million.

(p) Tax Abatement Refund Claims

Certain tax abatement settlements have been renegotiated, resulting in a reduction in the previous obligation and an increase in the time period over which the new obligation is required to be paid. These settlements have been recorded in the general long-term debt account group. All other estimated tax abatement refunds have been recorded as a liability in the general fund.

(q) Reclassifications

Certain 1991 amounts have been reclassified to conform with the 1992 presentation.

(r) Total Columns

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund and other eliminations have not been made.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(2) Budgetary Data

The general fund is the only fund for which a budget is legally adopted. The budgets for all departments included in the general fund of the City, except the School Department, are prepared under the direction of the Mayor and City Council. The School Department budget is prepared under the direction of the School Committee. Original and supplemental appropriations are submitted by the Mayor and approved by the City Council. The legal level of control over the budget is at the department level. All amendments to the original budget must be approved by the City Council, except for a reallocation of appropriations of up to \$3 million which the Mayor may approve. Supplemental appropriations for the year were approximately \$2.9 million.

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 4). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures; plus (b) the reserve accounts described in the following paragraph; plus (c) provision for the prior fiscal years' deficits, if any; less (d) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth of Massachusetts for tax rate purposes.

In accordance with the 1986 amendments to the Funding Loan Act of 1982, the City has established two reserve funds. The first is a budget reserve fund which is required to be funded in stages to a final level of 2-1/2% of the prior year's overall departmental appropriations, except the School Department, by the beginning of fiscal 1990. It is available to be applied to extraordinary and unforeseen expenditures. The second is a separate reserve fund of 1% to 2-1/2% of the current year appropriation of the School Department to be applied to overexpenditures in that department.

The City's general fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column in the Statement of Revenues and Expenditures - Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases are that:

- (a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);
- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP);
- (c) Certain activities and transactions are presented in separate funds (GAAP), rather than as components of the general fund (budget);
- (d) Amounts raised for the prior years' deficits and available funds from prior years' surpluses are recorded as revenue items (budget), but have no effect on GAAP revenues; and
- (e) The subsidy to the DHH from the general fund is derived on a budget basis (budget), as opposed to a modified accrual basis (GAAP).

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1992 (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>	<u>Excess revenue and sources (expenditures and uses)</u>
As reported on a budgetary basis	\$ 1,324,202	1,321,557	-	2,645
Adjustments:				
Revenues to modified accrual basis	7,855	-	-	7,855
Prior years' available funds	(10,907)	-	-	(10,907)
General fund DHH subsidy to a modified accrual basis	-	-	(14,974)	(14,974)
Expenditures, encumbrances and accruals, net	-	7,057	-	(7,057)
Reclassifications:				
Health and Hospitals revenues and expenditures to an enterprise fund	(168,212)	(183,045)	(14,833)	-
Pension expenditure related to Health and Hospitals	-	(11,849)	(11,849)	-
Parking meter revenue and ex- penditures to a special revenue fund	(8,000)	(8,000)	-	-
Debt service expenditures to a debt service fund	-	(85,758)	(85,758)	-
State-funded teachers' retirement costs	(26,411)	(26,411)	-	-
Sale of property	(12,015)	-	12,015	-
Trust fund revenue to other financing sources	<u>(1,800)</u>	<u>-</u>	<u>1,800</u>	<u>-</u>
As reported on a GAAP basis	\$ <u>1,104,712</u>	<u>1,013,551</u>	<u>(113,599)</u>	<u>(22,438)</u>

(3) Cash and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits including demand deposits, money markets and certificates of deposit in any one financial institution may not exceed certain levels unless collateralized by the financial institution involved. Investments may be made in unconditionally guaranteed U.S. Treasury or U.S. Government agency obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include authorized bonds of all states, bankers' acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust ("MMDT").

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The City's pension and certain other trust funds have additional investment powers, most notably the ability to invest in common stocks, corporate bonds, and other specified investments.

Deposits

The following summary presents the amount of City deposits on June 30, 1992 (SBRs deposits are presented as of December 31, 1991). Category 1 includes deposits which are fully insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes those deposits that are not collateralized (in thousands).

	<u>Category</u>		<u>Total</u>	<u>Carrying</u>
	<u>1</u>	<u>3</u>	<u>Bank</u>	<u>Amount</u>
			<u>Balance</u>	
Demand deposits	\$ 1,981	26,432	28,413	3,389
Money markets	5,361	47,055	52,416	51,611
Certificates of deposit	3,297	96,504	99,801	99,801
SBRs deposits, December 31, 1991	<u>300</u>	<u>49,720</u>	<u>50,020</u>	<u>48,277</u>
Total	\$ <u>10,939</u>	<u>219,711</u>	<u>230,650</u>	<u>203,078</u>

There were no Category 2 deposits for the City and SBRs as of June 30, 1992 and December 31, 1991, respectively.

Investments

The City and SBRs categorize investments according to the level of risk assumed. Category 1 includes investments that are insured or registered or held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent but not in the entity's name (in thousands).

	<u>Category</u>			<u>Carrying</u>	<u>Estimated</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Market</u>
					<u>Value</u>
City of Boston - June 30, 1992					
Categorized:					
Repurchase agreements	\$ 84,612	1,976	68,099	\$ 154,687	154,685
U.S. Government obligations	16,814	-	129,576	146,390	148,624
U.S. Government agency obligations	2,879	-	4,217	7,096	7,259
Debt securities	448	-	17,641	18,089	18,161
Equity securities	-	-	30,347	30,347	38,392
Other investments	-	-	<u>8,948</u>	<u>8,948</u>	<u>8,948</u>
Total	\$ <u>104,753</u>	<u>1,976</u>	<u>258,828</u>	<u>365,557</u>	<u>376,069</u>
Not categorized:					
MMDT				<u>30,755</u>	<u>30,755</u>
				\$ <u>396,312</u>	<u>406,824</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

<u>SBRs - December 31, 1991</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Estimated Market Value</u>	
	<u>1</u>	<u>2</u>	<u>3</u>			
Categorized:						
U.S. Government obligations	\$	-	105,522	-	105,522	105,522
U.S. Government agency obligations		-	42,939	-	42,939	42,939
Debt securities		-	134,362	-	134,362	134,362
Equity securities		-	673,514	-	673,514	673,514
Limited partnership investments in real estate		-	44,980	-	44,980	44,980
Total	\$	-	1,001,317	-	1,001,317	1,001,317
Not categorized:						
MMDT					108,239	108,239
					\$ 1,109,556	1,109,556

Investments of the City's pension trust funds are presented in the accompanying general purpose financial statements at their estimated fair market value. All other investments are stated at cost or amortized cost, which approximates market.

The composition of the City's bank deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

On April 21, 1992, the Health and Hospitals Pension Trust Fund, a City trust fund, transferred to SBRs approximately \$52.6 million of pension assets consisting of deposits and investments previously held by the City. Due to the timing of the transfer, the City's general purpose financial statements as of June 30, 1992 do not present these assets.

(4) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. These taxes once levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues have been recorded using the modified accrual basis of accounting, described in note 1(c).

Prior to June 30, 1991, the City's property taxes were due November 1 and May 1 following their January 1 assessment. Beginning July 1, 1991, the City elected to bill and collect its property taxes on a quarterly basis. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Based on the City's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. On October 28, 1992, all properties with unpaid fiscal 1992 property taxes were liened. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A state-wide property tax limitation known as "Proposition 2-1/2" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2-1/2 limits the total levy to an amount not greater than 2-1/2% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2-1/2% of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2-1/2 can be overridden by a City-wide referendum.

(5) Property, Plant and Equipment

Property, plant and equipment of the enterprise funds, by major category is as follows (in thousands):

	<u>DHH</u>				
	<u>Hospital Facilities</u>	<u>South Block Complex</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Land	\$ 4,307	132	-	8,603	13,042
Buildings and leasehold improve- ments	127,062	18,471	-	26,825	172,358
Furniture and equipment	43,670	926	687	1,798	47,081
Construction in progress	<u>75,495</u>	<u>-</u>	<u>-</u>	<u>1,380</u>	<u>76,875</u>
	250,534	19,529	687	38,606	309,356
Less accumulated depreciation	<u>107,475</u>	<u>11,908</u>	<u>522</u>	<u>17,870</u>	<u>137,775</u>
	\$ <u>143,059</u>	<u>7,621</u>	<u>165</u>	<u>20,736</u>	<u>171,581</u>

The South Block Complex consists of residential apartments and parking for resident and hospital use.

The following is a summary of changes in the General Fixed Assets Account Group (in thousands):

	<u>Balance, October 1, 1990</u>	<u>Net Additions</u>	<u>Balance, September 30, 1991</u>
Furniture and fixtures	\$ 1,460	-	1,460
Vehicles and maintenance equipment	62	-	62
Data processing equipment	<u>585</u>	<u>6</u>	<u>591</u>
	2,107	6	2,113
Less accumulated depreciation and amortization	<u>1,402</u>	<u>326</u>	<u>1,728</u>
General fixed assets, net	\$ <u>705</u>	<u>(320)</u>	<u>385</u>

The fixed assets of the trust funds consist principally of land. No changes in the balance occurred during 1992.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

On June 29, 1992, the City sold 20 acres of land to the Commonwealth of Massachusetts for \$44.1 million to be used in the construction of the Central Artery/Tunnel Project. The City received \$30 million on June 29, 1992 and, according to the agreement, will receive the remainder as follows: \$2 million before October 31, 1992; \$10 million before March 31, 1993; and \$2.1 million before October 31, 1993.

The City recorded the \$30 million received on June 29, 1992 as revenue in the capital projects fund and transferred \$10 million to the general fund.

(6) Interfund Balances

Individual fund interfund receivable and payable balances at June 30, 1992, are as follows (in thousands):

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 47,313	3,214
Special revenue:		
BRA	5,460	559
CDBG	-	300
Debt service	1,083	-
Capital projects:		
BRA	287	5,096
Other	-	759
Enterprise:		
DHH	3,075	10,248
Trust and agency:		
BRS	270	-
City Funds	-	1,112
Jobs Fund	8	-
Blue Cross	1,832	-
Housing Fund	-	8
BRA Agency Fund	567	658
General long-term debt account group	-	34,866
Balances at June 30, 1992	59,895	56,820
SBRs at December 31, 1991	13,324	-
THH at June 30, 1991	-	3,375
Balances in accompanying general purpose financial statements	\$ <u>73,219</u>	<u>60,195</u>

The interfund receivables and payables as of June 30, 1992 do not balance by \$3,075, the amount of the receivable recorded by DHH from THH. This occurs because the THH financial statements are presented as of June 30, 1991.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(7) General Long-Term Obligations

The following is a summary of bond and other long-term obligation transactions of the City for the year ended June 30, 1992 (in thousands):

City	Interest Rates	Outstanding, Beginning of Year	Additions	Reductions	Outstanding, End of Year
Bonds payable:					
General purpose, serial maturities through 2012	1/4% to 10%	\$ 211,403	49,043	11,095	249,351
Urban redevelopment, serial maturities through 2012	4-1/2% to 10%	59,103	3,440	7,462	55,081
Schools, serial maturities through 2010	4-1/2% to 10%	102,117	-	16,593	85,524
Parking facilities, serial maturities through 1999	4-1/2% to 10%	8,745	-	1,083	7,662
Public buildings, serial maturities through 2012	4-1/2% to 10%	87,924	4,569	9,774	82,719
Public works, serial maturities through 2012	4-1/2% to 10%	70,478	13,663	4,933	79,208
Water, serial maturities through 1996	5-1/10% to 10%	585	-	185	400
Sewer, serial maturities through 1999	5-1/10% to 7-3/10%	925	-	195	730
Rapid transit, term maturities through 1995	2-1/4% to 3%	<u>7,360</u>	<u>-</u>	<u>1,840</u>	<u>5,520</u>
		<u>548,640</u>	<u>70,715</u>	<u>53,160</u>	<u>566,195</u>
Lease acquisition and refinancing, serial maturities through 1996 (note 8)	5% to 6-9/10%	18,508	6,580	8,498	16,590
Other City long-term obligations, net:					
Tax abatement refunds		-	16,400	-	16,400
Judgments and claims		8,750	1,710	-	10,460
Sick and vacation		70,830	3,508	-	74,338
Retirement costs		382,553	-	9,355	373,198
Due to other funds		<u>41,687</u>	<u>-</u>	<u>6,821</u>	<u>34,866</u>
		<u>1,070,968</u>	<u>98,913</u>	<u>77,834</u>	<u>1,092,047</u>
BRA long-term obligations, net:					
Leases		394	-	141	253
Sick and vacation		1,693	1,564	1,653	1,604
Retirement costs		<u>3,998</u>	<u>-</u>	<u>1,094</u>	<u>2,904</u>
		<u>6,085</u>	<u>1,564</u>	<u>2,888</u>	<u>4,761</u>
Totals		\$ <u>1,077,053</u>	<u>100,477</u>	<u>80,722</u>	<u>1,096,808</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

On December 20, 1990 the City issued \$169.3 million of bonds (Revenue Bonds Boston City Hospital - FHA Insured Mortgage - Series A), dated November 15, 1990, to provide permanent financing for the construction and equipping of a new hospital inpatient facility and the renovation and consolidation of existing hospital facilities previously financed with bond anticipation notes (BANs). The principal and interest on these bonds is payable principally from payments to be made by the City on a mortgage note insured by the United States Secretary of Housing and Urban Development and, in the event of a default by the City, from Mortgage Insurance Benefits. The mortgage note will be payable from all sources of revenue of the City, including revenues of BCH, subject to annual appropriation but does not constitute general obligations of the City. Additionally, neither the revenues of BCH nor any other revenues of the City are pledged for the repayment. At June 30, 1992, approximately \$66.8 million had been expended in connection with the project. The main construction phase of the project commenced late in 1990 and is expected to continue until late 1993. The remaining unspent proceeds are held with an outside trustee and are designated as Restricted Cash in the Enterprise Fund on the combined balance sheet.

The following prior year transactions met the requirements of an "in-substance defeasance" as defined by generally accepted accounting principles:

- On June 25, 1991, the City issued \$16.2 million in General Obligation Bonds, dated May 15, 1991, to advance refund \$14.3 million of 1980, 1984 and 1985 Series bonds.
- On August 28, 1986, the City issued \$58.5 million in General Obligation Bonds, dated August 15, 1986 to advance refund \$47.8 million of 1980, 1983, 1984 and 1985 Series bonds.

The principal amount of debt refunded through these in-substance defeasance transactions and still outstanding at June 30, 1992 was \$50.2 million.

The annual debt service requirements of general obligation bonds outstanding as of June 30, 1992 are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
1993	\$ 53,555	38,264	91,819
1994	56,640	34,948	91,588
1995	50,225	31,121	81,346
1996	46,250	27,454	73,704
1997	40,935	24,327	65,262
1998-2002	157,455	84,532	241,987
2003-2007	101,555	36,713	138,268
2008-2012	53,655	10,539	64,194
2013-2016	<u>5,925</u>	<u>193</u>	<u>6,118</u>
	\$ <u>566,195</u>	<u>288,091</u>	<u>854,286</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth of Massachusetts has approved school construction assistance, subject to annual appropriation by the State Legislature and reports filed with the Commonwealth by the City, to partially provide resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission ("BWSC") is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1992, such resources expected to be provided to the City total \$147.4 million from the Commonwealth and \$1.3 million from the BWSC.

As of June 30, 1992, the City has \$5.9 million on deposit with the Board of Sinking Funds Commissioners for retirement of rapid transit general obligation bonds. The deposit is accounted for in the debt service fund. If payments by the Board from the sinking fund are not sufficient to fully provide for principal and interest on such debt as it becomes due, the City is entitled to receive direct payments from the Massachusetts Bay Transportation Authority ("MBTA") to the extent of any such deficiency.

The City is subject to a dual general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1992, the City may issue \$1.35 billion additional general obligation debt under the dual level general debt limit. General obligation debt of \$206.5 million, subject to the double debt limit, and \$35.6 million, exempt from the debt limit, is authorized but unissued as of June 30, 1992.

The City pays assessments to the MBTA under formulas that include debt service payments (commonly referred to as overlapping debt). At June 30, 1992, the MBTA had \$211 million in long-term debt outstanding of which the City's estimated share was approximately 42.3%, or \$89.3 million.

(8) Leases

The City has entered into two master installment sale agreements. As of June 30, 1992, the amount financed under this arrangement totaled \$54.1 million, with \$16.6 million currently outstanding. The City's commitment under noncapitalized leases is not significant.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Future minimum payments under capital leases and installment sales as of June 30, 1992, are as follows (in thousands):

	<u>GLTDAG</u>		<u>Enterprise</u>		<u>Total</u>
	<u>City</u>	<u>BRA</u>	<u>DHH</u>	<u>EDIC</u>	
1993	\$ 8,140	159	915	153	9,367
1994	5,253	80	575	147	6,055
1995	3,044	39	239	137	3,459
1996	1,194	-	92	5	1,291
1997 and thereafter	<u>353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353</u>
Total minimum lease payments	17,984	278	1,821	442	20,525
Less amount representing interest	<u>1,394</u>	<u>25</u>	<u>230</u>	<u>91</u>	<u>1,741</u>
	\$ <u>16,590</u>	<u>253</u>	<u>1,591</u>	<u>351</u>	<u>18,784</u>

(9) Pension Plan

(a) Plan Description

The City provides retirement benefits to employees through a contributory retirement system administered by the State-Boston Retirement System (SBRS or System), a cost-sharing, multiple-employer public employee retirement system. Each participating employer's share of the total annual contribution is determined on the basis of active payroll. The City's payroll for employees covered in the System for the year ended June 30, 1992, was approximately \$630 million; the City's total payroll was approximately \$777 million. Because the City's participation in the System is so significant, certain disclosures required for single employer plans have been made.

The City also participates in the Boston Retirement System and made benefit payments of approximately \$7 million. Actuarial disclosures for this plan are not material.

The System is a contributory, defined-benefit plan covering all permanent full-time employees immediately upon the commencement of employment. Public school teachers are also members of the System. However, the cost of teachers' pension benefits is reimbursed by the Commonwealth of Massachusetts ("Commonwealth") directly to the City. The System is a member of the Massachusetts Contributory System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The following is a breakdown of the membership of the SBRS at January 1, 1991:

Active employees	22,038
Pensioners and beneficiaries	13,421
Inactive employees with vested rights	<u>5,577</u>
	<u>41,036</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Members of the System become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The System also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the City's payroll on January 1, 1978, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the Fund. Active members contribute either 5, 7, or 8% of their gross regular compensation depending on the date upon which their membership began. In addition, members who joined the System after January 1, 1979, are required to contribute an additional 2% of regular compensation over \$30,000. The City is required to contribute the remaining amounts necessary to pay benefits when due.

(b) Funding Status and Progress

The amount shown below as the "Pension Benefit Obligation" for the System is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1992 (which was updated as of June 30, 1992). Significant actuarial and other assumptions used in the valuation include (1) a rate of return on the investment of present and future assets of 8% a year compounded annually, (2) projected salary increases of 5.5% a year compounded annually, attributed to inflation, (3) no post-retirement benefit increases, and (4) removal of the \$30,000 compensation cap and other changes resulting from the adoption of Chapter 32, Section 22D.

The unfunded pension benefit obligation and the accumulated unfunded benefit obligation at June 30, 1992 are as follows (in thousands):

	<u>City</u>	<u>BRA</u>	<u>Other Entities*</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits				
and terminated employees not yet receiving benefits	\$ 893,257	5,689	31,613	930,559
Current employees:				
Accumulated employee contributions including				
investment earnings	548,228	6,858	27,381	582,467
Employer financed vested	269,680	2,820	11,223	283,723
Employer financed nonvested	169,416	1,573	6,452	177,441
Cost-of-living adjustments reimbursable by the				
Commonwealth	<u>234,921</u>	<u>1,810</u>	<u>8,844</u>	<u>245,575</u>
Total pension benefit obligation	2,115,502	18,750	85,513	2,219,765
Net assets available for benefits, at market	<u>1,131,427</u>	<u>12,433</u>	<u>51,929</u>	<u>1,195,789</u>
Unfunded pension benefit obligation	984,075	6,317	33,584	1,023,976

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

	<u>City</u>	<u>BRA</u>	<u>Other Entities*</u>	<u>Total</u>
Less:				
Adjustment to reduce the unfunded pension benefit obligation for projected salary increases	175,893	1,603	6,443	183,939
Cost-of-living adjustments reimbursable by the Commonwealth	234,921	1,810	8,844	245,575
Estimated amounts to be reimbursed by the Commonwealth of Massachusetts for teachers, net of related assets	<u>173,868</u>	<u>-</u>	<u>-</u>	<u>173,868</u>
Unfunded accumulated benefit obligation	\$ <u>399,393</u>	<u>2,904</u>	<u>18,297</u>	<u>420,594</u>

* Not included in the general purpose financial statements.

The City has recorded \$376.1 million of the unfunded accumulated benefit obligation as a liability in the general long-term debt account group. The remaining \$26.2 million is recorded as a liability in the enterprise fund.

(c) Contribution Requirements and Contributions Made

The System's funding policy is governed by Section 22D of Chapter 32. Accordingly, the minimum contribution through June 30, 1994, is an amount approximating the pension benefits expected to be paid during the year ("pay-as-you-go" method), as determined by the Public Employee Retirement Administration (PERA). Subsequent to June 30, 1994, the members of the System are required to fund an amount, each year, equal to the actuarially determined normal cost plus an amount to amortize the unfunded liability by June 30, 2020. Normal cost is based upon the entry age normal cost method and would increase each year but should remain relatively level as a percentage of payroll. The method used to amortize the unfunded liability results in an 4-1/2% increase in pension cost each year. The Commonwealth currently reimburses the System for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2-1/2. Also the Commonwealth reimburses the City for benefits paid to school teachers.

The City's contribution to the System for 1992 of \$106.3 million (16.9% of covered payroll), which included \$26.4 million for teachers and \$11.8 million for DHH, was made in accordance with the funding policy described above and represented approximately 90% of all employer contributions to the System.

(d) Trend Information

Trend information for the three years ended 1992, 1991 and 1990, respectively, is as follows: available assets were sufficient to fund 54%, 50%, and 48% of the pension benefit obligation, respectively. Unfunded pension benefit obligation represented 162%, 163%, and 184% of the annual payroll for employees covered by the System for 1992, 1991 and 1990, respectively. Actuarially determined contributions represent 16.9%, 17.5% and 19.5% of annual covered payroll for 1992, 1991 and 1990, respectively. These contributions were made in accordance with actuarially determined requirements.

Ten year historical trend information presenting the System's progress in accumulating sufficient assets to pay benefits when due and revenues by source and expenses by type is presented in the City's separately issued comprehensive annual financial report (CAFR).

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(10) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows (in thousands):

	Transfers in (out)							
	General		Special Revenue	Debt Service	Capital Projects	Enterprise	Trust Funds	
	1992	1991					Expendable	Nonexp.
Purpose of transfer:								
DHH subsidy	\$ (34,836)	(18,885)	-	(3,015)	(3,243)	41,094	-	-
Amount transferred from long-term debt account group	(6,820)	(6,655)						
	(41,656)	(25,540)						
Debt service	(85,758)	(85,679)	(687)	86,444	-	-	-	-
Capital projects	12,015	-	-	-	(12,015)	-	-	-
Trust funds	<u>1,800</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,138</u>	<u>(207)</u>	<u>(2,731)</u>
	\$ <u>(113,599)</u>	<u>(110,219)</u>	<u>(687)</u>	<u>83,429</u>	<u>(15,258)</u>	<u>42,232</u>	<u>(207)</u>	<u>(2,731)</u>

The operating transfers do not balance by \$6,820,000, the amount transferred from the general fund to reduce the liability to the Department of Health and Hospitals in the GLTDAG.

(11) Fund Deficits and Excess of Expenditures

The following funds had deficit equity balances June 30, 1992 (in thousands):

Special revenue:	
Building Loan Program	\$ 20,297
Housing Development Program	97
	<u>20,394</u>
Capital projects:	
Trust fund	<u>68</u>
Enterprise:	
Trustees of Health and Hospitals	<u>340</u>
Trust and agency:	
Blue Cross/Blue Shield fund	<u>967</u>
	\$ <u>21,769</u>

The above deficits will be eliminated by future bond issuances, employee payroll withholdings, linkage payments or City appropriations.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The City had expenditures in excess of their budgeted amounts for the year ended June 30, 1992 in the following categories (in thousands):

Public safety:	
Police	\$ 1,993
Fire	994
Health and hospitals	967
County:	
Penal department	387
Judgments and claims	5,234
Employee benefits:	
Workmen's compensation fund	2,141
Retirement costs:	
County pensions and annuities	29
Debt requirements:	
Redemption of City loans	80
State and district assessments:	
Special Education - Chapter 766	<u>122</u>
	\$ <u>11,947</u>

Excess expenditures in public safety, health and hospitals, judgments and claims, and county are allowed under the budgetary laws governing the City. State and district assessments overexpenditure is due to the change in estimates of state assessments by the Commonwealth.

(12) Contingencies

There are numerous pending lawsuits in which the City is involved. The City attorneys estimate that the potential claims against the City not recorded in the accompanying general purpose financial statements resulting from such litigation would not materially affect the general purpose financial statements.

(13) Segment Information

The City maintains three enterprise funds for which segment information is presented below (in thousands):

	<u>DHH</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Operating revenues	\$ 193,946	51,115	20,482	265,543
Depreciation expense	8,548	63	1,508	10,119
Operating income (loss)	(39,030)	(2,963)	25	(41,968)
Operating transfers	41,094	1,138	-	42,232
Net income (loss)	2,064	(1,825)	25	264
Property, plant and equipment additions	44,603	17	2,389	47,009
Total assets	346,839	11,300	51,804	409,943
Bonds payable	168,388	-	27,023	195,411
Total equity	86,669	(340)	6,163	92,492
Net working capital	304,685	(505)	3,936	308,116

GENERAL FUND

The general fund is the operating fund of the city. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

Exhibit A - 1

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
PROPERTY TAXES					
Real and Personal Property Taxes	\$ 555,484,196	\$ 555,484,196	\$ 555,491,500	\$ 7,304	\$ 529,148,315
Revenue class total	555,484,196	555,484,196	555,491,500	7,304	529,148,315
MOTOR VEHICLE EXCISE					
Motor Vehicle Excise - Current	19,500,000	19,500,000	13,649,080	(5,850,920)	16,288,741
Motor Vehicle Excise - Prior Years	-	-	5,257,580	5,257,580	2,555,828
Motor Vehicle - Lessor Surcharge	-	-	-	-	978
Boat Excise - Current	20,000	20,000	14,963	(5,037)	20,156
Boat Excise - Prior Years	-	-	4	4	(502)
Revenue class total	19,520,000	19,520,000	18,921,628	(598,372)	18,865,202
OTHER EXCISE TAXES					
Hotel / Motel Room Excise	13,900,000	13,900,000	12,945,011	(954,989)	14,655,940
Aircraft Fuel Excise	13,400,000	13,400,000	11,571,344	(1,828,656)	13,263,795
Condominium Con. Excise	142,000	142,000	50,500	(91,500)	156,000
Urban Redevelopment Ch.121A	31,400,000	31,400,000	32,195,733	795,733	30,102,870
Revenue class total	58,842,000	58,842,000	56,762,588	(2,079,412)	58,178,605

Exhibit A-1

GENERAL FUND (continued)
 Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
 Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
COMMONWEALTH OF MASSACHUSETTS					
R.E. Abatements - Elderly	-	-	38,413	38,413	50,063
R.E. Abatements - Other	347,611	347,611	264,150	(83,461)	264,150
R.E. Abatements - Blind	-	-	28,613	28,613	28,875
Elderly Exemptions 1977 Chapter 967	1,237,088	1,237,088	1,138,206	(98,882)	1,237,088
State Lottery Local Aid	25,328,750	25,328,750	25,328,750	-	25,328,750
Highways - Local Aid	1,516,244	1,516,244	1,516,244	-	-
Veterans Services - Local Aid	1,198,320	1,198,320	1,702,552	504,232	563,323
Pensions - Retired Teachers	26,410,734	26,410,734	26,410,734	-	25,968,898
Local Aid - Add'l Assistance Chapter 36	206,638,214	206,638,214	206,638,214	-	251,738,148
County Jail Grant	21,586,962	21,586,962	21,586,962	-	21,586,962
School Construction - State	13,632,691	13,632,691	13,322,452	(310,239)	11,634,662
School Aid Chapter 70	44,963,846	44,963,846	44,963,846	-	44,963,846
Recreational Programs	-	-	-	-	30,332
Transportation of Pupils	10,428,480	10,428,480	10,164,524	(263,956)	9,654,040
Tuition for State Wards	-	-	-	-	508,744
Revenue class total	353,288,940	353,288,940	353,103,660	(185,280)	393,557,881
HEALTH AND HOSPITALS					
Boston City Hospital	152,200,000	152,200,000	156,735,563	4,535,563	145,142,348
Long Island Hospital	3,000,000	3,000,000	1,709,522	(1,290,478)	16,505,629

Exhibit A - 1

GENERAL FUND (continued)

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
Matapan Hospital	13,000,000	13,000,000	9,766,743	(3,233,257)	18,279,273
Revenue class total	168,200,000	168,200,000	168,211,828	11,828	179,927,250
DEPARTMENTAL & OTHER REVENUE					
Penalties & Interest - Property Taxes	1,200,000	1,200,000	1,452,513	252,513	1,231,718
Penalties & Interest - Motor Vehicle	650,000	650,000	980,446	330,446	571,501
Penalties & Interest - Sidewalk	-	-	19	19	-
Penalties & Interest - Tax Title	2,700,000	2,700,000	3,382,069	682,069	3,018,066
Penalties & Interest - Street Assessments	-	-	(619)	(619)	-
Penalties & Interest - Boat Excise	-	-	13	13	21
Purchasing Services	300,000	300,000	315,739	15,739	25,751
Recording of Legal Instruments	280	280	206	(74)	200
Registry Division Fees	840,000	840,000	807,360	(32,640)	828,624
City Record Sale of Publications	50,000	50,000	41,033	(8,967)	59,762
Assessing Fees	2,100	2,100	59,252	57,152	1,887
Liens	450,000	450,000	564,100	114,100	458,350
City Clerk Fees	280,000	280,000	301,992	21,992	264,368
Election Fees	18,000	18,000	73,674	55,674	133,763
Rent Equity Fees	-	500,000	534,451	34,451	-
City Council Sale of Publications	500	500	813	313	1,090
Other General Services	30,000	30,000	31,519	1,519	32,127
Police Services	500,000	500,000	618,089	118,089	550,854

Exhibit A - 1

GENERAL FUND (continued)
 Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
 Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>		<u>1991 Actual</u>
			<u>Favorable</u>	<u>(Unfavorable)</u>	
Fire Services	1,400,000	1,400,000		(66,380)	1,411,597
Civil Defense	60,000	60,000		(28,865)	82,602
Parking Facilities	2,850,000	2,850,000		279,402	3,281,699
Street, Sidewalk and Curb Repairs	2,300,000	2,300,000		3,096,917	5,448,936
Real Property - Rents	30,000	30,000		14,150	29,620
Demolition of Abandoned Structures	10,000	10,000		213,382	12,429
Building - Rents	150,000	150,000		(24,226)	173,922
Damage to City Property	15,000	15,000		70,350	8,636
Other Revenues - Public Facilities	15,000	15,000		7,748	25,275
Concessions - Parks	10,000	10,000		(4,978)	4,725
Miscellaneous - Parks	6,000	6,000		(1,800)	8,050
Golf Fees - Parks	-	-		-	(25)
Veterans Services	100,000	100,000		(25,789)	102,073
Public Works - Other Charges	3,500	3,500		(831)	4,539
Tuition and Transportation - Schools	550,000	550,000		67,484	422,095
Miscellaneous Receipts - Schools	40,000	40,000		(25,733)	34,359
Library Fees	150,000	150,000		14,687	146,013
Library of Last Recourse	-	1,903,388		1	2,354,808
Registry of Deeds	1,400,000	1,400,000		449,864	1,408,545
Telephone Commissions - County	30,000	30,000		18,162	47,309
New Court House Trial Court Space Rental	800,000	800,000		(800,000)	-
Telephone Commissions - Real Property	200,000	200,000		86,428	168,327
Insurance Proceeds	25,000	25,000		1,397	41,980

Exhibit A - 1

GENERAL FUND (continued)
 Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
 Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
City Workmens Comp. Reimbursement	1,100,000	1,100,000	1,297,640	197,640	2,175,063
Settlements - Water/Sewer	400,000	400,000	544,430	144,430	521,608
Pensions and Annuities	2,300,000	2,300,000	1,570,360	(729,640)	2,059,381
Fringe and Indirect	400,000	400,000	449,331	49,331	736,877
Private detail Payroll	-	-	3,466	3,466	-
Fire Department Special Detail	40,000	40,000	46,331	6,331	63,622
Contributions and Donations	100	100	-	(100)	-
Sale of Real Estate	-	-	2,500	2,500	-
Discount Taken	-	-	147	147	19,139
Prior Year Reimbursements	2,969,919	2,969,919	1,677,952	(1,291,967)	7,870,345
Tellers Adjustments	-	-	(1,013)	(1,013)	(842)
Miscellaneous Refunds	250,000	250,000	71,942	(178,058)	198,896
Miscellaneous Collections	50,000	50,000	19,421	(30,579)	428,342
Child Support Reimbursement	-	-	29,721	29,721	154
Miscellaneous - Treasury	-	-	(690,114)	(690,114)	1,583
Paid Detail - Administrative Fees	1,600,000	1,600,000	1,565,313	(34,687)	1,546,373
Revenue class total	26,275,399	28,678,787	31,139,355	2,460,568	38,016,136
FINES					
Parking Fines	48,000,000	48,000,000	17,669,028	(30,330,972)	18,153,048
Mail Collection of Parking fines	-	-	29,185,773	29,185,773	31,741,250
Superior Criminal Court	2,000	2,000	905	(1,095)	6,500

Exhibit A - 1

GENERAL FUND (continued)
 Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
 Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
Municipal Civil Court	-	-	558,591	558,591	-
Municipal Criminal Court	300,000	300,000	192,437	(107,563)	363,298
East Boston District Court	160,000	160,000	118,310	(41,690)	179,993
Brighton District Court	280,000	280,000	230,317	(49,684)	331,620
Charlestown District Court	22,000	22,000	22,299	299	18,615
Dorchester District Court	300,000	300,000	210,512	(89,489)	384,206
Roxbury District Court	450,000	450,000	271,023	(178,978)	539,593
South Boston District Court	125,000	125,000	89,153	(35,848)	180,831
West Roxbury District Court	275,000	275,000	175,356	(99,644)	352,715
House of Correction - Regular	50,000	50,000	657	(49,343)	50,332
House of Correction - Work Release	5,000	5,000	-	(5,000)	2,046
Code Enforcement	250,000	250,000	201,858	(48,143)	329,739
Revenue class total	50,219,000	50,219,000	48,926,216	(1,292,784)	52,633,786

PAYMENTS IN LIEU OF TAXES

Boston College	70,000	70,000	73,640	3,640	70,000
New England Deaconess Hospital	42,000	42,000	42,000	-	42,000
New England Medical Center Hospital	300,000	300,000	319,679	19,679	286,316
Digital Equipment	42,800	42,800	42,800	-	42,800
Blue Cross / Blue Shield	330,000	330,000	456,652	126,652	671,216
Old City Hall	450,000	450,000	494,528	44,528	601,535
Boston University	290,000	290,000	331,386	41,386	281,500

Exhibit A - 1

GENERAL FUND (continued)

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1992

Classification	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Urban Redevelopment Chapter 121A	15,359,600	15,359,600	19,370,871	4,011,271	9,823,167
Miscellaneous	50,000	50,000	10,714	(39,286)	35,566
Mass Port Authority	6,150,000	6,150,000	6,017,739	(132,261)	6,017,739
Sale of Property - Special Tax	25,000	25,000	64,124	39,124	35,851
Berkeley School	100,000	100,000	152,757	52,757	152,471
Trimount Foundation	14,800	14,800	14,800	-	14,800
Harvard Community Health Plan	260,000	260,000	266,676	6,676	253,205
Hood Milk	321,000	321,000	321,726	726	248,750
Mass General Hospital	930,000	930,000	1,613,064	683,064	728,021
Harvard University	944,250	944,250	952,496	8,246	1,086,594
Suffolk University	40,000	40,000	42,392	2,392	41,076
Simmons College	15,000	15,000	15,000	-	7,500
Northeastern University	90,000	90,000	105,570	15,570	113,070
New England Nursing Home	56,000	56,000	56,000	-	56,000
New England School of Law	13,125	13,125	13,125	-	13,124
Brighams and Womens Hospital	232,000	232,000	464,938	232,938	232,000
Tufts University	13,800	13,800	14,123	323	6,752
Section 2C	100,000	100,000	52,431	(47,569)	106,451
University Hospital	45,000	45,000	46,600	1,600	72,556
Museum of Fine Arts	227,000	227,000	400,253	173,253	234,464
Revenue class total	26,511,375	26,511,375	31,756,085	5,244,710	21,274,524

Exhibit A - 1

GENERAL FUND (continued)
 Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
 Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
INVESTMENT INCOME					
Interest on Investments	16,200,000	16,700,000	10,609,927	(6,090,073)	14,503,954
Revenue class total	16,200,000	16,700,000	10,609,927	(6,090,073)	14,503,954
LICENSES AND PERMITS					
Building Structures and Permits	8,250,000	8,250,000	9,136,208	886,208	6,689,380
Weights and Measures	175,000	175,000	161,999	(13,001)	153,209
Street and Curb Permits	1,300,000	1,300,000	993,157	(306,843)	1,564,595
Health Inspections	700,000	700,000	1,218,093	518,093	583,670
Alcoholic Beverages Licenses	2,150,000	2,150,000	2,080,247	(69,753)	2,147,466
Entertainment Licenses	400,000	400,000	439,412	39,412	459,556
Police and Protective Permits	375,000	375,000	362,861	(12,139)	379,284
Professional & Occupational Licenses	90,000	90,000	99,560	9,560	99,895
Other Business Licenses and Permits	700,000	700,000	777,924	77,924	689,380
Cable Television	710,000	710,000	685,229	(24,771)	645,271
Burial Permits	80,000	80,000	101,930	21,930	80,590
Revenue class total	14,930,000	14,930,000	16,056,620	1,126,620	13,492,293
SALE OF PROPERTY					
Sale of City Property	12,500,000	12,500,000	12,515,950	15,950	500,000
Revenue class total	12,500,000	12,500,000	12,515,950	15,950	500,000

Exhibit A - 1

GENERAL FUND (continued)
 Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
 Year Ended June 30, 1992

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1991 Actual</u>
TRANSFERS FROM OTHER FUNDS					
Appropriated Cemetery Trustee	1,800,000	1,800,000	1,800,000	-	999,999
Appropriated Parking Meter Receipts	8,000,000	8,000,000	8,000,000	-	6,800,000
Other Available Funds	-	-	-	-	1,582,583
Revenue class total	<u>9,800,000</u>	<u>9,800,000</u>	<u>9,800,000</u>	<u>-</u>	<u>9,382,582</u>
OTHER AVAILABLE FUNDS					
Appropriated Fund Balance - "Free Cash"	10,906,620	10,906,620	10,906,620	-	38,568,934
Revenue class total	<u>10,906,620</u>	<u>10,906,620</u>	<u>10,906,620</u>	<u>-</u>	<u>38,568,934</u>
Total Revenues and Other Financing Sources	<u>1,322,677,530</u>	<u>1,325,580,918</u>	<u>1,324,201,977</u>	<u>(1,378,941)</u>	<u>1,368,049,461</u>
Less Prior Year Deficits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Revenue Available for Appropriation	<u>\$ 1,322,677,530</u>	<u>\$ 1,325,580,918</u>	<u>\$ 1,324,201,977</u>	<u>\$ (1,378,941)</u>	<u>\$ 1,368,049,461</u>

Exhibit A-2

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance		1991 Actual
				Favorable (Unfavorable)		
GENERAL GOVERNMENT						
Mayor's Office	\$ 782,399	\$ 782,399	\$ 761,235	\$ 21,164	\$	948,842
City Council	2,366,100	2,366,100	2,287,106	78,994		2,279,336
Consumer Affairs and Licensing	278,805	298,805	274,194	24,611		369,986
Election Department - Election Division	2,375,000	2,550,000	2,364,172	185,828		2,315,413
Election Department - Listing Board	-	100,000	70,000	30,000		448,650
Auditing Department	1,387,000	1,387,000	1,301,982	85,018		1,419,799
Assessing Department	4,850,000	4,850,000	4,770,463	79,537		5,210,434
Treasury Department - Collecting Division	2,126,280	2,169,720	2,088,897	80,823		2,280,076
Treasury Department - Treasury Division	971,800	1,003,360	975,042	28,318		1,045,077
Budget/Program Evaluation	1,636,700	1,703,403	1,614,744	88,659		1,914,853
Personnel Management	1,147,546	1,206,246	1,181,545	24,701		1,563,535
Purchasing Division	770,279	845,603	843,096	2,507		916,987
Contract Management	-	-	-	-		186,242
Printing Division	1,362,080	1,382,230	1,355,949	26,281		1,827,319
Cable Communications	-	-	-	-		455,915
Labor Relations	341,400	366,400	358,351	8,049		390,058
Management Information Sys	6,558,737	6,569,703	6,548,032	21,671		8,045,963
Intergovernmental Relations	572,400	624,000	619,202	4,798		615,058
Law Department	3,152,000	3,267,000	2,990,107	276,893		3,884,566
Major Vendor Clearing Account	-	-	173,010	(173,010)		235,455
Payroll Contingency	-	-	-	-		646,449
SPO Intelepath Centrex	-	-	42,239	(42,239)		-

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Worker's Compensation Division	272,899	292,899	290,070	2,829	362,218
Minority/Womens Business	211,225	211,225	170,779	40,446	215,393
City Clerk	524,000	564,000	524,764	39,236	513,469
Registry Division	621,300	646,300	630,270	16,030	640,579
Finance Commission	127,600	127,600	127,371	229	147,014
Reserve Fund	-	-	-	-	300,000
Boards and Commissions	787,467	787,467	758,471	28,996	-
Policy Office	390,000	390,000	373,656	16,344	510,400
Fair Housing Commission	229,418	229,418	217,859	11,559	177,006
Emergency Shelter Commission	-	-	-	-	205,072
Press Office	145,800	145,800	144,750	1,050	181,004
Neighborhood Services	879,500	954,500	911,313	43,187	1,108,330
Business and Cultural Development	723,034	773,034	755,723	17,311	1,019,246
Capital Planning	287,800	287,800	256,789	31,011	386,204
Women's Commission	-	-	-	-	108,859
Human Rights Commission	-	-	-	-	156,980
Costs of Issuance - Rans	350,000	350,000	273,556	76,444	335,069
Annual Audit Costs	539,000	539,000	539,000	-	357,928
Activity Total	36,767,569	37,771,012	36,593,737	1,177,275	43,724,785
HUMAN SERVICES					
Rent Equity Board	830,848	1,330,848	1,172,164	158,684	1,174,929

Exhibit A - 2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Elderly Commission	1,851,946	1,851,946	1,745,910	106,036	2,043,344
Persons With Disabilities	-	-	-	-	179,401
Arts and Humanities Office	-	-	-	-	187,203
Veterans Services Department	2,427,800	2,427,800	2,390,669	37,131	2,584,697
Veterans Graves Registration	103,300	103,300	90,602	12,698	118,632
Jobs and Community Services	-	-	-	-	323,739
Activity Total	5,213,894	5,713,894	5,399,345	314,549	6,611,946
PUBLIC SAFETY					
Police Department	124,433,000	124,433,000	126,426,530	(1,993,530)	126,231,152
Fire Department	83,550,000	83,550,000	84,544,142	(994,142)	85,082,459
Transportation - Traffic Division	14,280,000	14,280,000	14,240,719	39,281	14,541,630
Transportation - Parking Clerk	7,650,000	7,650,000	7,387,222	262,778	8,239,194
Youth Fund	3,000,000	4,275,000	4,275,000	0	535,000
Licensing Board	316,300	426,300	420,158	6,142	438,981
Inspectional Services Department	8,464,000	8,539,000	8,377,692	161,308	9,954,653
Activity Total	241,693,300	243,153,300	245,671,463	(2,518,163)	245,023,069
PUBLIC WORKS					
Public Works Department	51,735,000	51,735,000	50,443,203	1,291,797	62,581,482
Snow Removal	2,250,000	2,250,000	1,416,823	833,177	2,497,098

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Activity Total	53,985,000	53,985,000	51,860,026	2,124,974	65,078,581
PROPERTY AND DEVELOPMENT					
Real Property - Administration	470,867	497,267	492,092	5,175	719,106
Real Property - Building Division	4,459,716	4,754,467	4,735,483	18,984	5,271,495
Real Property - Property Division	884,417	888,266	873,746	14,520	1,092,124
Public Facilities Department	7,045,000	7,045,000	6,877,732	167,268	9,823,319
PFD - Community Schools Division	8,739,000	8,739,000	8,725,136	13,864	8,998,830
Activity Total	21,599,000	21,924,000	21,704,189	219,811	25,904,874
PARKS AND RECREATION					
Parks and Recreation Department	9,560,000	9,560,000	9,545,392	14,608	11,486,153
Environmental Division	-	-	-	-	556,593
Cemetery Division	1,300,000	1,800,000	1,718,155	81,845	1,306,293
Activity Total	10,860,000	11,360,000	11,263,547	96,453	13,349,040
LIBRARY					
Library Department	18,690,000	20,593,388	20,594,047	(659)	21,819,187
Activity Total	18,690,000	20,593,388	20,594,047	(659)	21,819,187

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
SCHOOLS					
General School Purposes	374,000,000	382,000,000	381,961,878	38,122	388,973,327
Activity Total	374,000,000	382,000,000	381,961,878	38,122	388,973,327
HEALTH AND HOSPITALS					
Health and Hospitals Department	182,078,010	182,078,010	183,045,036	(967,026)	194,357,858
Activity Total	182,078,010	182,078,010	183,045,036	(967,026)	194,357,858
COUNTY					
Registry of Deeds	1,546,000	1,546,000	1,527,671	18,329	1,534,840
Suffolk County Jail	14,550,000	14,550,000	14,303,458	246,542	14,142,378
Penal Department	15,975,000	15,975,000	16,362,094	(387,094)	15,272,625
Activity Total	32,071,000	32,071,000	32,193,223	(122,223)	30,949,843
JUDGEMENTS AND CLAIMS					
Execution of Courts	5,000,000	5,000,000	10,233,521	(5,233,521)	6,731,040
Activity Total	5,000,000	5,000,000	10,233,521	(5,233,521)	6,731,040

Exhibit A - 2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
EMPLOYEE BENEFITS					
Medicare Payments	1,450,000	1,450,000	1,446,690	3,310	1,380,911
Health Benefits and Insurance	63,300,000	63,301,557	61,922,737	1,378,820	57,317,086
Retirement Board	1,079,615	1,129,615	1,129,615	-	1,925,000
Workmens Compensation Fund	2,250,000	2,250,000	4,391,449	(2,141,449)	3,607,916
Activity Total	68,079,615	68,131,172	68,890,491	(759,319)	64,230,913
PENSION COSTS					
Unemployment Compensation	50,000	50,000	49,015	985	198,768
Pensions and Annuities - City	7,850,000	7,410,000	6,926,997	483,003	7,788,132
Pensions and Annuities - County	650,000	650,000	679,565	(29,565)	701,252
State - Boston Retirement System	123,688,583	115,688,583	106,324,929	9,363,655	113,033,217
Activity Total	132,238,583	123,798,583	113,980,506	9,818,077	121,721,369
STATE & DISTRICT ASSESSMENTS					
State Exam of Retirement	245,886	245,886	245,886	0	247,262
Health Insurance/Retirement	1,144,773	1,144,773	1,144,773	0	1,276,834
Mosquito Control Projects	136,532	136,532	136,420	112	135,625
Special Education Chapter 766	277,905	277,905	400,403	(122,498)	502,178
Suffolk County Extension Service	3863	3863	3,863	0	3,863
Metropolitan Air Pollution Center	112,957	112,957	112,957	0	118,188

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)

Year Ended June 30, 1992

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Metropolitan Area Planning	117,994	117,994	117,994	0	115,116
M.B.T.A. Assessments	50,272,528	50,272,528	50,234,327	38,202	48,932,484
M.D.C. Assessments	10,848	10,848	10,848	0	11,399
Activity Total	52,323,286	52,323,286	52,407,470	(84,184)	51,342,948
DEBT REQUIREMENTS					
Redemption of City Loans	50,860,000	50,860,000	50,940,000	(80,000)	48,875,000
City Debt and Interest payments	35,178,273	33,518,273	34,818,273	(1,300,000)	36,804,403
Interest on Temporary Loans	2,040,000	1,300,000	-	1,300,000	-
Activity Total	88,078,273	85,678,273	85,758,273	(80,000)	85,679,403
Total Expenditures	\$ 1,322,677,530	\$ 1,325,580,918	\$ 1,321,556,749	\$ 4,024,169	\$ 1,365,498,181

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects, that are legally restricted for specific purposes.

City Fund accounts for the a number of small federal and state grants administered by the City's individual departments. These funds provide additional support to department programs.

Revolving Loans Fund accounts for funds that are set aside, generally by state statute, that are used to support the City's general fund operations. These funds are directly linked to a specific activity and are available without further City Council appropriation.

Boston Public Schools accounts for funds provided by the U.S. Department of Education and the Commonwealth's Department of Education for the Boston Public Schools. These funds directly support a number of educational programs for the City's residents.

Jobs and Community Service and Jobs Bill are funds from the U.S. Department of Labor and the Commonwealth of Massachusetts for various job training programs which benefit low and moderate income residents of the City. These funds are administered by the Mayor's Office of Jobs and Community Services.

Community Development Block Grants are funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant program. These funds are used to support eligible community development and social programs.

Urban Development Action Grants this fund accounts for money provided through HUD's Urban Development Action Grant (UDAG) program. These grants are used for various residential, commercial, and industrial projects within the City.

Neighborhood Development Fund accounts for loan repayments from UDAG. These funds are used for Title I eligible activities in the City's neighborhoods.

Public Works are funds used for miscellaneous public works projects.

Building Loan Program are short term loans for eligible activities provided through the CDBG's program's unexpended balances.

Housing Development Action Grants are funds provided through HUD's Housing Development Action Grant (HODAG). HODAG funds are targeted for low and moderate income family housing needs.

Neighborhood Research accounts for funds that the City may receive for neighborhood planning and assistance.

Other Special Revenue Funds this fund accounts for an array of state, federal and local grant funds that support programs administered by various municipal departments.

Boston Redevelopment Authority accounts for funds provided by Community Development Block Grants, Urban Development Action Grants and the Neighborhood Development Fund. The Authority was created for the general purpose of planning, coordinating and assisting in the revitalization and development of the Boston area.

Exhibit B-1

SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1992

	<u>City Fund</u>	<u>Revolving Loans Fund</u>	<u>Boston Public Schools</u>
ASSETS			
Cash and short-term investments	\$ 3,026,093	\$ 37,264,780	\$ 6,390,772
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	1,448,781	90,230	7,476,638
Accounts	889,577	345,969	830
Notes	-	-	-
Total receivables	<u>2,338,358</u>	<u>436,199</u>	<u>7,477,468</u>
Due from other funds	-	-	-
Other assets	-	-	-
Total assets	\$ <u>5,364,451</u>	\$ <u>37,700,979</u>	\$ <u>13,868,240</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 959,555	\$ 126,459	\$ 4,230,149
Accrued liabilities:			
Other	-	16,588,991	218,161
Due to other funds	-	9,181	-
Deferred revenue	-	-	-
Total liabilities	<u>959,555</u>	<u>16,724,631</u>	<u>4,448,310</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	2,344,752	2,053,198	2,328,912
Unreserved:			
Designated	-	-	-
Undesignated	2,060,144	18,923,150	7,091,018
Total fund balance	<u>4,404,896</u>	<u>20,976,348</u>	<u>9,419,930</u>
Total liabilities and fund balance	\$ <u>5,364,451</u>	\$ <u>37,700,979</u>	\$ <u>13,868,240</u>

City of Boston, Massachusetts

<u>Jobs and Community Service</u>	<u>Community Development Block Grant</u>	<u>Jobs Bill Program</u>	<u>Urban Development Action Grant</u>	<u>Neighborhood Development</u>
\$ 260,367	\$ 22,770,047	\$ 10	\$ 430,000	\$ 16,549,741
-	-	-	-	-
-	637,775	-	-	-
-	-	-	-	-
<u>-</u>	<u>637,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 260,367</u>	<u>\$ 23,407,822</u>	<u>\$ 10</u>	<u>\$ 430,000</u>	<u>\$ 16,549,741</u>

\$ 260,365	\$ 681,126	\$ -	\$ -	\$ -
-	-	-	-	-
-	291,188	-	-	-
-	4,154,218	-	-	-
<u>260,365</u>	<u>5,126,532</u>	<u>-</u>	<u>-</u>	<u>-</u>

945	6,005,029	187,371	791,151	1,793,324
-	-	-	-	-
(943)	12,276,261	(187,361)	(361,151)	14,756,417
<u>2</u>	<u>18,281,290</u>	<u>10</u>	<u>430,000</u>	<u>16,549,741</u>
<u>\$ 260,367</u>	<u>\$ 23,407,822</u>	<u>\$ 10</u>	<u>\$ 430,000</u>	<u>\$ 16,549,741</u>

(continued)

Exhibit B-1 (continued)

SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1992

ASSETS	Public Works	Innovative Grants	Building Loan Program
Cash and short-term investments	\$ -	\$ -	\$ (20,296,591)
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	-	-	-
Accounts	-	-	-
Notes	-	-	-
Total receivables	<u>-</u>	<u>-</u>	<u>-</u>
Due from other funds	-	-	-
Other assets	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,296,591)</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ -	\$ -	\$ -
Accrued liabilities:			
Other	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	-	1,808,954
Unreserved:			
Designated	-	-	-
Undesignated	-	-	(22,105,545)
Total fund balance	<u>-</u>	<u>-</u>	<u>(20,296,591)</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,296,591)</u>

City of Boston, Massachusetts

Housing Development Action Grants	Neighborhood Research	Boston Redevelopment Authority	Totals	
			1992	1991
\$ (96,608)	\$ 276,446	\$ 777,230	\$ 67,352,287	\$ 67,338,168
-	-	15,199	9,030,848	9,749,381
-	-	27,330	1,901,481	799,064
-	-	-	-	-
-	-	42,529	10,932,329	10,548,445
-	-	5,459,893	5,459,893	2,122,397
-	-	70,175	70,175	325,797
\$ <u>(96,608)</u>	\$ <u>276,446</u>	\$ <u>6,349,827</u>	\$ <u>83,814,684</u>	\$ <u>80,334,807</u>
\$ -	\$ -	\$ 2,131,771	\$ 8,389,425	\$ 10,746,852
-	-	250,903	17,058,055	16,266,567
-	-	559,277	859,646	3,707,273
-	-	-	4,154,218	4,928,593
-	-	2,941,951	30,461,344	35,649,285
-	-	-	17,313,636	16,566,106
-	-	1,856,457	1,856,457	2,087,763
(96,608)	276,446	1,551,419	34,183,247	26,031,653
(96,608)	276,446	3,407,876	53,353,340	44,685,522
\$ <u>(96,608)</u>	\$ <u>276,446</u>	\$ <u>6,349,827</u>	\$ <u>83,814,684</u>	\$ <u>80,334,807</u>

Exhibit B-2

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1992

	<u>City Fund</u>	<u>Revolving Loans Fund</u>	<u>Boston Public Schools</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other revenue	6,244,735	14,088,877	9,000,866
Total local revenues	<u>6,244,735</u>	<u>14,088,877</u>	<u>9,000,866</u>
Intergovernmental:			
Federal	5,787,492	396,229	47,670,580
Commonwealth of Massachusetts	14,176,393	1,627,547	19,115,083
Total intergovernmental revenues	<u>19,963,885</u>	<u>2,023,776</u>	<u>66,785,663</u>
Total revenues	<u>26,208,620</u>	<u>16,112,653</u>	<u>75,786,529</u>
EXPENDITURES:			
Current operations:			
General government	1,068,451	320,626	-
Human services	1,739,451	164,409	-
Public safety	12,941,326	8,045,007	-
Public works	5,484,807	-	-
Parks and recreation	998,107	2,571,876	-
Library	-	1,057,070	-
Schools	-	419,735	63,632,900
Community development	699,059	-	-
Capital outlays	-	-	2,740,085
Total expenditures	<u>22,931,201</u>	<u>12,578,723</u>	<u>66,372,985</u>
Excess (deficiency) of revenues over expenditures	<u>3,277,419</u>	<u>3,533,930</u>	<u>9,413,544</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out), net	<u>-</u>	<u>(686,826)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,277,419	2,847,104	9,413,544
Fund balance (deficit), beginning of year	1,127,477	18,129,244	6,386
Fund balance (deficit), end of year	\$ <u><u>4,404,896</u></u>	\$ <u><u>20,976,348</u></u>	\$ <u><u>9,419,930</u></u>

<u>Jobs and Community Service</u>	<u>Community Development Block Grant</u>	<u>Jobs Bill Program</u>	<u>Urban Development Action Grant</u>	<u>Neighborhood Development</u>
\$ -	\$ -	\$ -	\$ -	\$ -
(691,835)	-	-	-	-
<u>(691,835)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(86,582)	18,061,562	4,854,418	122,562	1,041,420
(94,911)	-	(5,400,000)	-	-
<u>(181,493)</u>	<u>18,061,562</u>	<u>(545,582)</u>	<u>122,562</u>	<u>1,041,420</u>
<u>(873,328)</u>	<u>18,061,562</u>	<u>(545,582)</u>	<u>122,562</u>	<u>1,041,420</u>
-	-	-	-	-
(80,110)	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	14,723,229	329,353	-	2,230,240
-	1,529,344	-	-	-
<u>(80,110)</u>	<u>16,252,573</u>	<u>329,353</u>	<u>-</u>	<u>2,230,240</u>
<u>(793,218)</u>	<u>1,808,989</u>	<u>(874,935)</u>	<u>122,562</u>	<u>(1,188,820)</u>
-	-	-	-	-
(793,218)	1,808,989	(874,935)	122,562	(1,188,820)
793,220	16,472,301	874,945	307,438	17,738,561
<u>\$ 2</u>	<u>\$ 18,281,290</u>	<u>\$ 10</u>	<u>\$ 430,000</u>	<u>\$ 16,549,741</u>

(continued)

Exhibit B-2 (continued)

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1992

	<u>Public Works</u>	<u>Innovative Grants</u>	<u>Building Loan Program</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other revenue	-	26	-
Total local revenues	<u>-</u>	<u>26</u>	<u>-</u>
Intergovernmental:			
Federal	(588,241)	-	1,031,167
Commonwealth of Massachusetts	-	-	-
Total intergovernmental revenues	<u>(588,241)</u>	<u>-</u>	<u>1,031,167</u>
Total revenues	<u>(588,241)</u>	<u>26</u>	<u>1,031,167</u>
EXPENDITURES:			
Current operations:			
General government	-	-	-
Human services	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Library	-	-	-
Schools	-	-	-
Community development	-	-	2,498,108
Capital outlays	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>2,498,108</u>
Excess (deficiency) of revenues over expenditures	<u>(588,241)</u>	<u>26</u>	<u>(1,466,941)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out), net	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(588,241)	26	(1,466,941)
Fund balance (deficit), beginning of year	588,241	(26)	(18,829,650)
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,296,591)</u>

City of Boston, Massachusetts

Housing Development Action Grants	Neighborhood Research	Other	Boston Redevelopment Authority	Totals	
				1992	1991
\$ -	\$ -	\$ -	\$ 66,027	\$ 66,027	\$ 55,950
-	-	-	8,000	28,650,669	28,878,609
-	-	-	74,027	28,716,696	28,934,559
-	-	(3,914,100)	-	74,376,507	78,191,131
-	-	-	-	29,424,112	29,159,218
-	-	(3,914,100)	-	103,800,619	107,350,349
-	-	(3,914,100)	74,027	132,517,315	136,284,908
-	-	-	-	1,389,077	441,884
-	-	-	-	1,823,750	4,219,942
-	-	-	-	20,986,333	13,477,681
-	-	-	-	5,484,807	5,990,057
-	-	-	-	3,569,983	1,926,515
-	-	-	-	1,057,070	1,194,207
-	-	-	-	64,052,635	59,403,253
10,839	-	-	-	20,490,828	30,177,066
-	-	-	38,759	4,308,188	3,932,692
10,839	-	-	38,759	123,162,671	120,763,297
(10,839)	-	(3,914,100)	35,268	9,354,644	15,521,611
-	-	-	-	(686,826)	-
(10,839)	-	(3,914,100)	35,268	8,667,818	15,521,611
(85,769)	276,446	3,914,100	3,372,608	44,685,522	29,163,911
\$ <u>(96,608)</u>	\$ <u>276,446</u>	\$ <u>-</u>	\$ <u>3,407,876</u>	\$ <u>53,353,340</u>	\$ <u>44,685,522</u>

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CAPITAL PROJECT FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Departmental Equipment accounts for capital equipment provided to all city departments ranging from computer hardware to fire trucks and snow plows.

School Projects accounts for the construction, renovation and repairs to all school buildings.

Public Buildings accounts for the construction, renovation and repairs to all City owned buildings.

Hospital Department accounts for the construction, renovation and repairs to Boston City Hospital.

Urban and Economic Development accounts for the construction, renovation and rehabilitation to buildings and structures approved by the City's planning board.

Neighborhood Development Fund accounts for loan repayments from Urban Development Action Grants which provide real estate loans to low and moderate income residents of the City.

Parks and Recreation accounts for the construction and repair of park areas throughout the City.

Public Works accounts for the construction, maintenance and repair of public work projects such as: bridges street lighting, sidewalks, water mains and sewer drainage.

Chapter 90 Public Ways accounts for the design, engineering, construction and reconstruction of major roadways, streets and sidewalks.

Trust Funds account for funds authorized for specific capital purposes as designated by each trust.

Other Capital Project Funds account for other miscellaneous expenditures for various projects.

Boston Redevelopment Authority is the City's general planning agency and administers funds designated for the redevelopment of the City's downtown area and inner-city neighborhoods.

Exhibit C-1

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1992

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
ASSETS			
Cash and investments	\$ 9,451,962	\$ 23,199,022	\$ 33,595,555
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	-	265,216	1,353,246
Accounts	-	-	147
Notes	-	-	-
Total receivables	<u>-</u>	<u>265,216</u>	<u>1,353,393</u>
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	<u>\$ 9,451,962</u>	<u>\$ 23,464,238</u>	<u>\$ 34,948,948</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 18,282	\$ 450,378	\$ 224,590
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
Due to other funds	-	77,021	218,265
Deferred revenue	-	-	-
Bonds, loans and notes payable	-	-	-
Total liabilities	<u>18,282</u>	<u>527,399</u>	<u>442,855</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	3,108,441	3,854,244	16,898,498
Unreserved:			
Designated	-	-	-
Undesignated	6,325,239	19,082,595	17,607,595
Total fund balance	<u>9,433,680</u>	<u>22,936,839</u>	<u>34,506,093</u>
Total liabilities and fund balances	<u>\$ 9,451,962</u>	<u>\$ 23,464,238</u>	<u>\$ 34,948,948</u>

City of Boston, Massachusetts

<u>Hospital Department</u>	<u>Urban & Economic Development</u>	<u>Parks & Recreation</u>	<u>Parking Facilities</u>
\$ 3,621,104	\$ 9,216,178	\$ 8,427,189	\$ 488,955
-	-	-	-
-	-	4,838	-
-	-	-	-
-	-	-	-
-	-	4,838	-
-	-	-	-
-	-	-	-
<u>\$ 3,621,104</u>	<u>\$ 9,216,178</u>	<u>\$ 8,432,027</u>	<u>\$ 488,955</u>
\$ 4,855	\$ 25,056	\$ 67,301	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
56,098	15,952	53,306	-
-	-	-	-
-	-	-	-
<u>60,953</u>	<u>41,008</u>	<u>120,607</u>	<u>-</u>
690,723	4,585,057	3,769,882	-
-	-	-	-
2,869,428	4,590,113	4,541,538	488,955
<u>3,560,151</u>	<u>9,175,170</u>	<u>8,311,420</u>	<u>488,955</u>
<u>\$ 3,621,104</u>	<u>\$ 9,216,178</u>	<u>\$ 8,432,027</u>	<u>\$ 488,955</u>

(continued)

Exhibit C-1 (continued)

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1992

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Funds</u>
ASSETS			
Cash and investments	\$ 15,959,306	\$ 19,170,571	\$ (64,212)
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	291,171	861,376	78,130
Accounts	-	-	-
Notes	-	-	-
Total receivables	<u>291,171</u>	<u>861,376</u>	<u>78,130</u>
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	<u>\$ 16,250,477</u>	<u>\$ 20,031,947</u>	<u>\$ 13,918</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 126,089	\$ -	\$ 4,286
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
Due to other funds	338,651	-	-
Deferred revenue	-	-	-
Bonds, loans and notes payable	-	-	-
Total liabilities	<u>464,740</u>	<u>-</u>	<u>4,286</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	13,736,623	21,981,153	267,839
Unreserved:			
Designated	-	-	-
Undesignated	2,049,114	(1,949,206)	(258,207)
Total fund balance	<u>15,785,737</u>	<u>20,031,947</u>	<u>9,632</u>
Total liabilities and fund balances	<u>\$ 16,250,477</u>	<u>\$ 20,031,947</u>	<u>\$ 13,918</u>

City of Boston, Massachusetts

Other	Boston Redevelopment Authority	Totals	
		1992	1991
\$ —	\$ 1,474,518	\$ 124,540,148	\$ 101,435,978
3,010,331	2,118,151	5,128,482	2,118,151
—	1,122,234	3,976,211	8,868,878
—	26,793,323	26,793,470	8,466,175
—	612,784	612,784	2,313,952
—	28,528,341	31,382,465	19,649,005
—	286,919	286,919	1,895,045
—	9,929,704	9,929,704	14,415,097
\$ <u>3,010,331</u>	\$ <u>42,337,633</u>	\$ <u>171,267,718</u>	\$ <u>139,513,276</u>
\$ 101,589	\$ —	\$ 1,022,426	\$ 8,230,718
—	527,700	527,700	527,700
—	2,537,693	2,537,693	1,479,086
—	—	—	112,701
—	5,095,848	5,855,141	1,990,046
—	16,438,316	16,438,316	7,813,238
—	9,900,000	9,900,000	9,900,000
101,589	34,499,557	36,281,276	30,053,489
—	—	68,892,460	39,953,630
—	7,838,076	7,838,076	14,442,752
2,908,742	—	58,255,906	55,063,405
2,908,742	7,838,076	134,986,442	109,459,787
\$ <u>3,010,331</u>	\$ <u>42,337,633</u>	\$ <u>171,267,718</u>	\$ <u>139,513,276</u>

Exhibit C-2

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1992

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other	-	162,586	9,557
Total local revenues	<u>-</u>	<u>162,586</u>	<u>9,557</u>
Intergovernmental:			
Federal	-	-	-
Commonwealth of Massachusetts	-	(771,936)	4,165,771
Total intergovernmental revenues	<u>-</u>	<u>(771,936)</u>	<u>4,165,771</u>
Total revenues	<u>-</u>	<u>(609,350)</u>	<u>4,175,328</u>
EXPENDITURES:			
Judgments and claims	-	-	-
Retirement costs	-	-	-
Capital outlays	2,217,682	15,409,888	19,733,077
Debt service	165,599	398,159	322,041
Total expenditures	<u>2,383,281</u>	<u>15,808,047</u>	<u>20,055,118</u>
Excess (deficiency) of revenues over expenditures	<u>(2,383,281)</u>	<u>(16,417,397)</u>	<u>(15,879,790)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds of debt	6,316,821	15,466,557	12,621,166
Operating transfers in (out), net	-	-	-
In-substance defeasance of refunded debt	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,933,540	(950,840)	(3,258,624)
Fund balance (deficit), beginning of year	<u>5,500,140</u>	<u>23,887,679</u>	<u>37,764,717</u>
Fund balance (deficit), end of year	\$ <u><u>9,433,680</u></u>	\$ <u><u>22,936,839</u></u>	\$ <u><u>34,506,093</u></u>

City of Boston, Massachusetts

<u>Hospital Department</u>	<u>Urban & Economic Development</u>	<u>Parks & Recreation</u>	<u>Parking Facilities</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(183,360)	-
-	-	(183,360)	-
-	-	(183,360)	-
-	-	-	-
-	-	-	-
(253)	2,269,019	7,029,679	-
96,877	91,487	341,575	-
96,624	2,360,506	7,371,254	-
(96,624)	(2,360,506)	(7,554,614)	-
3,719,344	4,021,394	13,123,446	-
(3,243,000)	-	-	-
-	-	-	-
379,720	1,660,888	5,568,832	-
3,180,431	7,514,282	2,742,588	488,955
\$ <u>3,560,151</u>	\$ <u>9,175,170</u>	\$ <u>8,311,420</u>	\$ <u>488,955</u>

(continued)

Exhibit C-2 (continued)

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1992

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Funds</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other	593,839	2,778,931	434,816
Total local revenues	<u>593,839</u>	<u>2,778,931</u>	<u>434,816</u>
Intergovernmental:			
Federal	-	-	-
Commonwealth of Massachusetts	253,684	31,530,271	78,130
Total intergovernmental revenues	<u>253,684</u>	<u>31,530,271</u>	<u>78,130</u>
Total revenues	<u>847,523</u>	<u>34,309,202</u>	<u>512,946</u>
EXPENDITURES:			
Judgments and claims	-	-	-
Retirement costs	-	-	-
Capital outlays	11,333,737	2,751,017	332,349
Debt service	399,090	-	-
Total expenditures	<u>11,732,827</u>	<u>2,751,017</u>	<u>332,349</u>
Excess (deficiency) of revenues over expenditures	<u>(10,885,304)</u>	<u>31,558,185</u>	<u>180,597</u>
OTHER FINANCING SOURCES (USES):			
Proceeds of debt	15,446,272	-	-
Operating transfers in (out), net	-	(12,015,950)	-
In-substance defeasance of refunded debt	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,560,968	19,542,235	180,597
Fund balance (deficit), beginning of year	<u>11,224,770</u>	<u>489,712</u>	<u>(170,965)</u>
Fund balance (deficit), end of year	<u>\$ 15,785,738</u>	<u>\$ 20,031,947</u>	<u>\$ 9,632</u>

City of Boston, Massachusetts

<u>Other</u>	<u>Boston Redevelopment Authority</u>	<u>Total</u>	
		<u>1992</u>	<u>1991</u>
\$ -	\$ 555,380	\$ 555,380	\$ 1,336,005
(647,993)	19,525,667	22,857,403	16,323,655
<u>(647,993)</u>	<u>20,081,047</u>	<u>23,412,783</u>	<u>17,659,660</u>
-	3,322,410	3,322,410	2,001,929
2,997	-	35,075,557	6,541,119
<u>2,997</u>	<u>3,322,410</u>	<u>38,397,967</u>	<u>8,543,048</u>
<u>(644,996)</u>	<u>23,403,457</u>	<u>61,810,750</u>	<u>26,202,708</u>
-	490,087	490,087	429,011
-	1,756,923	1,756,923	1,875,213
4,190,369	27,761,123	93,027,687	112,970,687
1,230,620	-	3,045,448	2,791,433
<u>5,420,989</u>	<u>30,008,133</u>	<u>98,320,145</u>	<u>118,066,344</u>
<u>(6,065,985)</u>	<u>(6,604,676)</u>	<u>(36,509,395)</u>	<u>(91,863,636)</u>
6,580,000	-	77,295,000	101,805,000
-	-	(15,258,950)	8,765,348
<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,113,342)</u>
514,015	(6,604,676)	25,526,655	2,593,370
<u>2,394,726</u>	<u>14,442,752</u>	<u>109,459,787</u>	<u>106,866,417</u>
\$ <u>2,908,741</u>	\$ <u>7,838,076</u>	\$ <u>134,986,442</u>	\$ <u>109,459,787</u>

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ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

Department of Health and Hospitals is the principal provider in the City of acute care for the indigent and other government assisted patients. The Department is comprised of two hospitals, Boston City Hospital and Mattapan Hospital, and supports an extensive network of community health centers.

Trustees of Health and Hospitals is a non-profit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies.

Economic Development Industrial Corporation is a quasi-public agency of the City of Boston and a instrumentality of the state, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing and job training.

Exhibit D-1

ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 1992

	<u>Department of Health & Hospitals</u>	<u>Trustess of Health & Hospitals</u>
ASSETS		
Cash and investments	\$ 6,411,180	\$ 228,673
Restricted cash	120,090,376	-
Receivables (net, of allowances for uncollectibles):		
Intergovernmental	-	-
Third-party payors	16,775,714	-
Accounts	42,831,569	10,602,482
Loans	-	-
Total receivables	<u>59,607,283</u>	<u>10,602,482</u>
Inventories	1,355,507	-
Due from other funds	3,075,290	-
Other assets	5,620,442	304,285
Property, plant and equipment (net of accumulated depreciation)	150,678,803	164,547
Total assets	\$ <u>346,838,881</u>	\$ <u>11,299,987</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 18,981,716	\$ 2,298,170
Accrued liabilities:		
Judgments and claims	2,581,319	-
Sick and vacation	6,089,625	-
Retirement costs	26,194,855	-
Third party payors	-	-
Other	12,924,941	791,914
Intergovernmental	13,171,826	5,174,949
Due to other funds	10,247,238	3,375,290
Deferred revenue	-	-
Obligations under capital lease	1,590,253	-
Bonds and notes payable	168,387,798	-
Total liabilities	<u>260,169,571</u>	<u>11,640,323</u>
Fund Equity:		
Proprietary fund equity	86,669,310	(340,336)
Reserved for:		
continuing appropriations	-	-
Unreserved:		
Undesignated	-	-
Total fund equity	<u>86,669,310</u>	<u>(340,336)</u>
Total liabilities and fund equity	\$ <u>346,838,881</u>	\$ <u>11,299,987</u>

Economic Development Industrial Corporation	Totals	
	1992	1991
\$ 5,702,999	\$ 12,342,852	\$ 7,099,013
5,141,420	125,231,796	151,823,589
3,313,646	3,313,646	3,577,459
—	16,775,714	—
1,451,737	54,885,788	59,899,138
12,198,191	12,198,191	12,392,412
<u>16,963,574</u>	<u>87,173,339</u>	<u>75,869,009</u>
—	1,355,507	1,517,045
—	3,075,290	30,654,029
3,258,227	9,182,954	9,597,638
20,737,632	171,580,982	134,887,860
\$ <u>51,803,852</u>	\$ <u>409,942,720</u>	\$ <u>411,448,183</u>
\$ 378,745	\$ 21,658,631	\$ 32,792,125
—	2,581,319	2,581,318
—	6,089,625	6,285,090
—	26,194,855	32,820,721
—	—	5,585,395
4,074,479	17,791,334	14,822,103
2,498,830	20,845,605	12,307,493
—	13,622,528	3,375,290
11,314,043	11,314,043	11,637,478
230,947	1,821,200	3,148,031
27,144,380	195,532,178	195,692,474
<u>45,641,424</u>	<u>317,451,318</u>	<u>321,047,518</u>
—	86,328,974	84,264,471
2,460,913	2,460,913	2,460,913
3,701,515	3,701,515	3,675,281
<u>6,162,428</u>	<u>92,491,402</u>	<u>90,400,665</u>
\$ <u>51,803,852</u>	\$ <u>409,942,720</u>	\$ <u>411,448,183</u>

Exhibit D-2

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1992

	<u>Department of Health & Hospitals</u>	<u>Trustees of Health & Hospitals</u>
REVENUES:		
Net patient service revenue	\$ 183,606,795	\$ -
Investment income	-	-
Programs	-	51,114,857
Rental income	-	-
Intergovernmental	-	-
Miscellaneous	<u>10,339,652</u>	<u>-</u>
Total operating revenues	<u>193,946,447</u>	<u>51,114,857</u>
EXPENSES:		
Salaries and wages	105,656,848	-
Professional fees	18,360,355	-
Administrative and general	22,065,523	3,724,590
Materials and supplies	15,887,273	-
Depreciation	8,547,984	63,231
Retirement costs	5,017,819	-
Interest	3,683,566	-
Bad debts	29,973,581	-
Subsidies for community services, special programs and real estate operations	<u>23,782,718</u>	<u>50,290,811</u>
Total operating expenses	<u>232,975,667</u>	<u>54,078,632</u>
Operating income (loss) before operating transfers	(39,029,220)	(2,963,775)
Operating transfer in (out), net	<u>41,093,723</u>	<u>1,138,264</u>
Net income (loss)	2,064,503	(1,825,511)
Fund equity, beginning of year	<u>84,604,807</u>	<u>1,485,175</u>
Fund equity, at end of year	<u>\$ 86,669,310</u>	<u>\$ (340,336)</u>

City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1992	1991
\$ -	\$ 183,606,795	\$ 181,636,121
1,369,108	1,369,108	1,434,497
-	51,114,857	51,114,857
5,465,622	5,465,622	5,264,617
12,943,001	12,943,001	10,818,209
704,576	11,044,228	6,020,948
<u>20,482,307</u>	<u>265,543,611</u>	<u>256,289,249</u>
5,512,954	111,169,802	122,341,979
226,744	18,587,099	20,414,202
2,126,699	27,916,812	24,734,703
89,738	15,977,011	15,885,820
1,507,657	10,118,872	8,885,566
-	5,017,819	4,815,135
1,704,228	5,387,794	5,180,625
-	29,973,581	
<u>9,288,053</u>	<u>83,361,582</u>	<u>81,978,660</u>
<u>20,456,073</u>	<u>307,510,372</u>	<u>284,236,690</u>
26,234	(41,966,761)	(27,947,441)
-	<u>42,231,987</u>	<u>14,515,671</u>
26,234	265,226	(13,431,770)
<u>6,136,194</u>	<u>92,226,176</u>	<u>103,832,435</u>
<u>\$ 6,162,428</u>	<u>\$ 92,491,402</u>	<u>\$ 90,400,665</u>

City of Boston, Massachusetts

Exhibit D-3

ENTERPRISE FUNDS
Combining Statement of Cash Flows
Year Ended June 30, 1992

	Department of Health & Hospitals	Trustees of Health & Hospitals
Cash Flows From Operating Activities:		
Operating income (loss)	\$ (39,029,220)	\$ (2,963,775)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	9,260,846	63,231
Provisions for bad debt	29,973,581	-
Loss on disposal of leased assets	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(23,990,009)	979,389
Intergovernmental receivable	-	-
Inventories	161,538	-
Other assets		(172,725)
Due to / from other funds	37,825,977	8,146
Accounts payable	(10,948,046)	(347,344)
Accrued retirement and vacation	(6,625,866)	-
Intergovernmental payable	8,171,826	508,050
Due to third party payors	(22,361,109)	-
Other accrued liabilities	2,366,945	27,914
Deferred revenue	-	-
Cash provided (used) by operating activities	<u>(15,193,537)</u>	<u>(1,897,114)</u>
Cash Flows From Noncapital Financing Activities:		
Advances from grantors	-	(1,967,001)
Operating subsidy / transfers in (out)	41,093,723	1,138,264
Cash provided (used) by noncapital financing activities	<u>41,093,723</u>	<u>(828,737)</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(44,603,962)	(16,860)
Proceeds from debt	-	-
Payments received on loans receivable	-	-
Principal paid on debt maturities	-	-
Payments on lease obligations	(1,292,557)	-
Other transfers	-	56,025
Acquisition of capital leases	-	-
Cash provided (used) by capital and related financing activities	<u>(45,896,519)</u>	<u>39,165</u>
Increase (decrease) in cash and cash equivalents	(19,996,333)	(2,686,686)
Cash and cash equivalents, beginning of year	<u>146,497,889</u>	<u>2,915,359</u>
Cash and cash equivalents, end of year	<u>\$ 126,501,556</u>	<u>\$ 228,673</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 15,752,000</u>	<u>-</u>

City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1992	1991
\$ 26,234	\$ (41,966,761)	\$ (27,947,441)
1,507,657	10,831,734	9,598,423
125,000	30,098,581	25,111,198
-	-	-
(1,149,389)	(24,160,009)	(27,298,619)
38,353	38,353	(1,141,188)
-	161,538	12,217
45,852	(126,873)	(6,270,134)
-	37,834,123	9,221,270
(18,195)	(11,313,585)	7,236,014
-	(6,625,866)	(6,721,230)
-	8,679,876	5,508,050
-	(22,361,109)	(5,839,897)
239,569	2,634,428	5,460,499
359,520	359,520	(2,997,285)
<u>1,174,601</u>	<u>(15,916,050)</u>	<u>(16,068,123)</u>
-	(1,967,001)	(1,967,001)
-	42,231,987	14,515,671
<u>-</u>	<u>40,264,986</u>	<u>12,548,670</u>
(2,388,726)	(47,009,548)	(30,641,137)
37,400	37,400	179,062,015
103,011	103,011	4,131,399
(301,380)	(301,380)	(349,341)
-	(1,292,557)	(1,764,506)
-	56,025	(8,295)
23,473	23,473	1,608,005
<u>(2,526,222)</u>	<u>(48,383,576)</u>	<u>152,038,140</u>
(1,351,621)	(24,034,640)	148,518,687
<u>12,196,040</u>	<u>161,609,288</u>	<u>10,403,915</u>
\$ <u>10,844,419</u>	\$ <u>137,574,648</u>	\$ <u>158,922,602</u>
\$ <u>1,886,196</u>	\$ <u>17,638,196</u>	\$ <u>6,837,074</u>

Exhibit D-4

DEPARTMENT of HEALTH and HOSPITALS

Comparative Balance Sheet

June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
ASSETS		
Cash and investments	\$ 6,411,180	\$ 2,176,529
Restricted cash	120,090,376	144,321,360
Receivables (net, of allowances for uncollectibles):		
Accounts	42,831,569	48,815,141
Third party payors	16,775,714	-
Total receivables	<u>59,607,283</u>	<u>48,815,141</u>
Inventories	1,355,507	1,517,045
Due from other funds	3,075,290	30,654,029
Other assets	5,620,442	5,817,652
Property, plant and equipment (net of accumulated depreciation)	150,678,803	115,105,067
Total assets	<u>\$ 346,838,881</u>	<u>\$ 348,406,823</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 18,981,716	\$ 29,929,762
Accrued liabilities:		
Judgments and claims	2,581,319	2,581,318
Sick and vacation	6,089,625	6,285,090
Retirement costs	26,194,855	32,820,721
Third party payors	-	5,585,395
Other	12,924,941	10,362,532
Intergovernmental	13,171,826	5,000,000
Due to other funds	10,247,238	-
Obligations under capital lease	1,590,253	2,882,810
Bonds and notes payable	168,387,798	168,354,388
Total liabilities	<u>260,169,571</u>	<u>263,802,016</u>
Fund Equity:		
Proprietary fund equity	86,669,310	84,604,807
Total fund equity	<u>86,669,310</u>	<u>84,604,807</u>
Total liabilities and fund equity	<u>\$ 346,838,881</u>	<u>\$ 348,406,823</u>

Exhibit D-5

DEPARTMENT of HEALTH and HOSPITALS
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
REVENUES:		
Net patient service revenue	183,606,795	181,636,121
Miscellaneous	10,339,652	5,577,350
Total operating revenues	<u>193,946,447</u>	<u>187,213,471</u>
EXPENSES:		
Salaries and wages	105,656,848	116,830,009
Professional fees	18,360,355	20,115,193
Administrative and general	22,065,523	18,677,651
Materials and supplies	15,887,273	15,820,734
Depreciation	8,547,984	7,326,339
Retirement costs	5,017,819	4,815,135
Interest	3,683,566	3,897,301
Bad debt	29,973,581	-
Subsidies for community services, special programs and real estate operations	<u>23,782,718</u>	<u>24,743,966</u>
Total operating expenses	<u>232,975,667</u>	<u>212,226,328</u>
Operating income (loss) before operating transfers	(39,029,220)	(25,012,857)
Operating transfer in (out), net	<u>41,093,723</u>	<u>13,377,407</u>
Net income (loss)	2,064,503	(11,635,450)
Fund equity, beginning of year	<u>84,604,807</u>	<u>96,240,257</u>
Fund equity, at end of year	<u>86,669,310</u>	<u>84,604,807</u>

Exhibit D-6

DEPARTMENT of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Cash Flows From Operating Activities:		
Operating income (loss)	\$ (39,029,220)	\$ (25,012,857)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	9,260,846	8,039,196
Provisions for bad debt	29,973,581	24,888,865
Loss on disposal of leased assets	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(23,990,009)	(28,207,745)
Inventories	161,538	12,217
Other assets	-	(5,817,652)
Due to / from other funds	37,825,977	9,213,124
Accounts payable	(10,948,046)	7,854,813
Accrued retirement and vacation	(6,625,866)	(6,721,230)
Intergovernmental payable	8,171,826	5,000,000
Due to third party payors	(22,361,109)	(5,839,897)
Other accrued liabilities	2,366,945	4,868,963
Deferred revenue	-	(2,962,879)
Cash provided (used) by operating activities	<u>(15,193,537)</u>	<u>(14,685,082)</u>
Cash Flows From Noncapital Financing Activities:		
Operating subsidy / transfers in (out)	<u>41,093,723</u>	<u>13,377,407</u>
Cash provided (used) by noncapital financing activities	<u>41,093,723</u>	<u>13,377,407</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(44,603,962)	(23,841,167)
Proceeds from debt	-	168,354,388
Payments on lease obligations	(1,292,557)	(1,764,506)
Other transfers	-	(64,320)
Acquisition of capital leases	-	1,584,477
Cash provided (used) by capital and related financing activities	<u>(45,896,519)</u>	<u>144,268,872</u>
Increase (decrease) in cash and cash equivalents	(19,996,333)	142,961,197
Cash and cash equivalents, beginning of year	<u>146,497,889</u>	<u>3,536,692</u>
Cash and cash equivalents, end of year	<u>\$ 126,501,556</u>	<u>\$ 146,497,889</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 15,752,000</u>	<u>\$ 5,203,056</u>

Exhibit D-7

TRUSTEES of HEALTH and HOSPITALS

Comparative Balance Sheet

June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
ASSETS		
Cash and investments	\$ 228,673	\$ 228,673
Receivables (net, of allowances for uncollectibles):		
Accounts	<u>10,602,482</u>	<u>10,602,482</u>
Total receivables	<u>10,602,482</u>	<u>10,602,482</u>
Other assets	304,285	304,285
Property, plant and equipment (net of accumulated depreciation)	<u>164,547</u>	<u>164,547</u>
Total assets	<u>\$ 11,299,987</u>	<u>\$ 11,299,987</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 2,298,170	2,298,170
Accrued liabilities:		
Other	791,914	791,914
Intergovernmental	5,174,949	5,174,949
Due to other funds	<u>3,375,290</u>	<u>3,375,290</u>
Total liabilities	<u>11,640,323</u>	<u>11,640,323</u>
Fund Equity:		
Retained earnings	<u>(340,336)</u>	<u>(340,336)</u>
Total fund equity	<u>(340,336)</u>	<u>(340,336)</u>
Total liabilities and fund equity	<u>\$ 11,299,987</u>	<u>\$ 11,299,987</u>

Exhibit D-8

TRUSTEES of HEALTH and HOSPITAL
Comparative Statement of Revenues, Expenses, and Changes in Fund Equity
Year Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
REVENUES:		
Programs	\$ 51,114,857	\$ 51,114,857
Total operating revenues	<u>51,114,857</u>	<u>51,114,857</u>
EXPENSES:		
Administrative and general	3,724,590	3,724,590
Depreciation	63,231	63,231
Subsidies for community services, special programs and real estate operations	50,290,811	50,290,811
Total operating expenses	<u>54,078,632</u>	<u>54,078,632</u>
Operating income (loss) before operating transfers	(2,963,775)	(2,963,775)
Operating transfer in (out), net	<u>1,138,264</u>	<u>1,138,264</u>
Net income (loss)	(1,825,511)	(1,825,511)
Fund equity, beginning of year	<u>1,485,175</u>	<u>1,485,175</u>
Fund equity, at end of year	<u>\$ (340,336)</u>	<u>\$ (340,336)</u>

Exhibit D-9

TRUSTEES of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Cash FLOws From Operating Activities:		
Operating income (loss)	\$ (2,963,775)	\$ (2,963,775)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	63,231	63,231
Changes in operating assets and liabilities:		
Accounts receivable	979,389	979,389
Other assets	(172,725)	(172,725)
Due to / from trustees	8,146	8,146
Accounts payable	(347,344)	(347,344)
Intergovernmental payable	508,050	508,050
Other accrued liabilities	27,914	27,914
Deferred revenue	-	-
Cash used by operating activities	<u>(1,897,114)</u>	<u>(1,897,114)</u>
Cash Flows From Noncapital Financing Activities:		
Advances from grantors	(1,967,001)	(1,967,001)
Operating subsidy / transfers in (out)	<u>1,138,264</u>	<u>1,138,264</u>
Cash provided by noncapital financing activities	<u>(828,737)</u>	<u>(828,737)</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(16,860)	(16,860)
Other transfers	<u>56,025</u>	<u>56,025</u>
Cash provided by capital and related financing activities	<u>39,165</u>	<u>39,165</u>
Increase (decrease) in cash and cash equivalents	(2,686,686)	(2,686,686)
Cash and cash equivalents, beginning of year	<u>2,915,359</u>	<u>2,915,359</u>
Cash and cash equivalents, end of year	<u>\$ 228,673</u>	<u>\$ 228,673</u>

Exhibit D-10

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Balance Sheet

June 30, 1992 and 1991

ASSETS	<u>1992</u>	<u>1991</u>
Cash and investments	\$ 5,702,999	\$ 4,693,811
Restricted cash	5,141,420	7,502,229
Receivables (net, of allowances for uncollectibles):		
Intergovernmental	3,313,646	3,577,459
Accounts	1,451,737	481,515
Loans	12,198,191	12,392,412
Total receivables	<u>16,963,574</u>	<u>16,451,386</u>
Other assets	3,258,227	3,475,701
Property, plant and equipment (net of accumulated depreciation)	20,737,632	19,618,246
Total assets	<u>\$ 51,803,852</u>	<u>\$ 51,741,373</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 378,745	\$ 564,193
Accrued liabilities:		
Other	4,074,479	3,667,657
Intergovernmental	2,498,830	2,132,544
Deferred revenue	11,314,043	11,637,478
Obligations under capital leases	230,947	188,517
Bonds and notes payable	27,144,380	27,414,790
Total liabilities	<u>45,641,424</u>	<u>45,605,179</u>
Fund Equity:		
Reserved for:		
Continuing appropriations	2,460,913	-
Unreserved:		
Undesignated	3,701,515	6,136,194
Total fund equity	<u>6,162,428</u>	<u>6,136,194</u>
Total liabilities and fund equity	<u>\$ 51,803,852</u>	<u>\$ 51,741,373</u>

Exhibit D-11

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
REVENUES:	\$	\$
Investment income	1,369,108	1,434,497
Rental income	5,465,622	5,264,617
Intergovernmental	12,943,001	10,818,209
Miscellaneous	<u>704,576</u>	<u>443,598</u>
Total operating revenues	<u>20,482,307</u>	<u>17,960,921</u>
EXPENSES:		
Salaries and wages	5,512,954	5,511,970
Professional fees	226,744	299,009
Administrative and general	2,126,699	2,332,462
Materials and supplies	89,738	65,086
Depreciation	1,507,657	1,495,996
Interest	1,704,228	1,283,324
Subsidies for community services, special programs and real estate operations	<u>9,288,053</u>	<u>6,943,883</u>
Total operating expenses	<u>20,456,073</u>	<u>17,931,730</u>
Net income (loss)	26,234	29,191
Fund equity, beginning of year	<u>6,136,194</u>	<u>6,107,003</u>
Fund equity, at end of year	\$ <u><u>6,162,428</u></u>	\$ <u><u>6,136,194</u></u>

Exhibit D-12

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Statement of Cash Flows
Year Ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Cash Flows From Operating Activities:		
Operating income (loss)	\$ 26,234	\$ 29,191
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	125,000	1,495,996
Provisions for bad debt	-	222,333
Changes in operating assets and liabilities:		
Accounts receivable	38,353	(70,263)
Intergovernmental receivable	-	(1,141,188)
Other assets	-	(279,757)
Accounts payable	-	(271,455)
Other accrued liabilities	359,520	563,622
Deferred revenue	1,174,601	(34,406)
Cash provided by operating activities	<u>1,723,708</u>	<u>514,073</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(2,388,726)	(6,783,110)
Proceeds from debt	37,400	10,707,627
Payments received on loan receivable	103,011	4,131,399
Principal paid on debt maturities	(301,380)	(349,341)
Acquisition of capital leases	23,473	23,528
Cash provided (used) by capital and related financing activities	<u>(2,526,222)</u>	<u>7,730,103</u>
Increase (decrease) in cash and cash equivalents	(802,514)	8,244,176
Cash and cash equivalents, beginning of year	<u>12,196,040</u>	<u>3,951,864</u>
Cash and cash equivalents, end of year	\$ <u><u>11,393,526</u></u>	\$ <u><u>12,196,040</u></u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u><u>1,886,196</u></u>	\$ <u><u>1,634,018</u></u>

TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held in a trustee capacity or as an agent for individuals, private corporations, other governments and other funds.

PENSION TRUSTS

State-Boston Retirement System is a defined benefit contributory retirement plan covering employees of the City of Boston, Department of Health and Hospitals, Boston Housing Authority, Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

Boston Retirement System is the independent contributory plan system available exclusively to City of Boston employees who were employed prior to October 1, 1946.

NONEXPENDABLE TRUST FUNDS

City Funds are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

School Funds used for scholarship awards, the purchase of educational equipment and the aid of needy students.

George Robert White Fund was formed by the will of George R. White dated May 21, 1920. The will requires that the Fund's income is used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City.

Trustees of the Boston Public Library Fund represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

EXPENDABLE TRUST FUNDS

City Funds, School Funds, George Robert White Fund and the Trustees of the Boston Public Library Fund account for the accumulated interest and dividends generated from the Nonexpendable Trust Funds awaiting expenditure or reinvestment of principal and income.

Neighborhood Housing Fund established to support the creation and preservation of affordable housing for low and moderate income residents of Boston. Developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

Neighborhood Jobs Fund established to protect and provide employment opportunities for low and moderate income residents of Boston. As mandated by the Boston Zoning Code developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two year period.

Trustees of Health and Hospital Funds represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston City Hospital.

Blue Cross Blue Shield Fund accounts for contributions received for both employer and employee to pay for health insurance costs to Blue Cross Blue Shield.

AGENCY FUND

Boston Redevelopment Authority accounts for resources received and held by the Authority as an agent for other entities including Urban Development Action Grants and other funds for housing initiatives.

Exhibit E-1

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1992

	Pension Trust Funds		
	State/Boston Retirement System	Boston Retirement System	Total
ASSETS			
Cash and investments	\$ 1,157,833,000	\$ 773,134	\$ 1,158,606,134
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectibles):			
Intergovernmental	8,591,000	129,900	8,720,900
Accounts	16,585,000	-	16,585,000
Notes	-	-	-
Total receivables	<u>25,176,000</u>	<u>129,900</u>	<u>25,305,900</u>
Due from other funds	13,324,000	269,896	13,593,896
Othe assets	-	-	-
Property, plant and equipment	-	-	-
Total assets	<u>\$ 1,196,333,000</u>	<u>\$ 1,172,930</u>	<u>\$ 1,197,505,930</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and accounts payable	\$ 14,015,000	\$ -	\$ 14,015,000
Other accrued liabilities	241,000	-	241,000
Due to other funds	-	-	-
Bonds and notes payable	-	-	-
Total liabilities	<u>14,256,000</u>	<u>-</u>	<u>14,256,000</u>
Fund Balance:			
Reserved for:			
Encumbrances	-	-	-
Employee retirement system	1,182,077,000	1,172,930	1,183,249,930
Unreserved:			
Designated	-	-	-
Undesignated	-	-	-
Total fund balance	<u>1,182,077,000</u>	<u>1,172,930</u>	<u>1,183,249,930</u>
Total liabilities and fund balance	<u>\$ 1,196,333,000</u>	<u>\$ 1,172,930</u>	<u>\$ 1,197,505,930</u>

City of Boston, Massachusetts

Nonexpendable Trust Funds

<u>City Funds</u>	<u>School Funds</u>	<u>George Robert White Fund</u>	<u>Trustees of the Public Library</u>	<u>Total</u>
\$ 24,579,984	\$ 609,213	\$ 12,052,810	\$ 16,669,837	\$ 53,911,844
—	—	—	—	—
28,155	—	—	—	28,155
—	—	—	—	—
—	—	—	—	—
<u>28,155</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>28,155</u>
—	—	—	—	—
—	—	—	—	—
60,000	—	131,162	—	191,162
\$ <u>24,668,139</u>	\$ <u>609,213</u>	\$ <u>12,183,972</u>	\$ <u>16,669,837</u>	\$ <u>54,131,161</u>
\$ —	\$ —	\$ —	\$ —	\$ —
—	420	—	—	420
—	—	—	—	—
—	—	—	—	—
<u>—</u>	<u>420</u>	<u>—</u>	<u>—</u>	<u>420</u>
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
24,668,139	608,793	12,183,972	16,669,837	54,130,741
<u>24,668,139</u>	<u>608,793</u>	<u>12,183,972</u>	<u>16,669,837</u>	<u>54,130,741</u>
\$ <u>24,668,139</u>	\$ <u>609,213</u>	\$ <u>12,183,972</u>	\$ <u>16,669,837</u>	\$ <u>54,131,161</u>

(continued)

Exhibit E-1 (continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1992

	Expendable Trust Funds			
	<u>City Funds</u>	<u>School Funds</u>	<u>George Robert White Fund</u>	<u>Trustees of the Public Library</u>
ASSETS				
Cash and investments	\$ 12,433,556	\$ 247,998	\$ 3,347,409	\$ 4,966,418
Restricted cash	-	-	-	-
Receivables (net, of allowances for uncollectibles):				
Intergovernmental	125,398	-	-	-
Accounts	-	-	-	-
Notes	-	-	502,500	-
Total receivables	<u>125,398</u>	<u>-</u>	<u>502,500</u>	<u>-</u>
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Total assets	<u>\$ 12,558,954</u>	<u>\$ 247,998</u>	<u>\$ 3,849,909</u>	<u>\$ 4,966,418</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	72,567	2,526	54,663	-
Due to other funds	1,112,181	-	-	-
Bonds and notes payable	-	-	-	-
Total liabilities	<u>1,184,748</u>	<u>2,526</u>	<u>54,663</u>	<u>-</u>
Fund Balance:				
Reserved for:				
Encumbrances	3,122,697	-	-	-
Employee retirement system	-	-	-	-
Unreserved:				
Designated	-	-	6,953,953	-
Undesignated	8,251,509	245,472	(3,158,707)	4,966,418
Total fund balance	<u>11,374,206</u>	<u>245,472</u>	<u>3,795,246</u>	<u>4,966,418</u>
Total liabilities and fund balance	<u>\$ 12,558,954</u>	<u>\$ 247,998</u>	<u>\$ 3,849,909</u>	<u>\$ 4,966,418</u>

Expendable Trust Funds

Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Total
\$ 15,280,399	\$ 2,777,501	\$ 577,911	\$ (349,024)	\$ 39,282,168
-	754,564	-	-	754,564
-	-	-	-	125,398
-	247,520	-	1,526,251	1,773,771
-	5,751,667	-	-	6,254,167
-	5,999,187	-	1,526,251	8,153,336
-	-	7,699	1,832,214	1,839,913
-	-	-	-	-
-	-	-	-	-
<u>\$ 15,280,399</u>	<u>\$ 9,531,252</u>	<u>\$ 585,610</u>	<u>\$ 3,009,441</u>	<u>\$ 50,029,981</u>
\$ -	\$ -	\$ -	\$ 554,627	\$ 554,627
352,127	-	17,082	3,422,238	3,921,203
-	7,699	-	-	1,119,880
-	8,096,032	-	-	8,096,032
<u>352,127</u>	<u>8,103,731</u>	<u>17,082</u>	<u>3,976,865</u>	<u>13,691,742</u>
-	-	-	-	3,122,697
-	-	-	-	-
-	-	-	-	6,953,953
14,928,272	1,427,521	568,528	(967,424)	26,261,589
<u>14,928,272</u>	<u>1,427,521</u>	<u>568,528</u>	<u>(967,424)</u>	<u>36,338,239</u>
<u>\$ 15,280,399</u>	<u>\$ 9,531,252</u>	<u>\$ 585,610</u>	<u>\$ 3,009,441</u>	<u>\$ 50,029,981</u>

(continued)

Exhibit E-1 (continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1992

	<u>Agency Funds</u>		
	Boston Redevelopment Authority	<u>Totals</u>	
		<u>1992</u>	<u>1991</u>
ASSETS			
Cash and investments	\$ 3,549,357	\$ 1,255,349,503	\$ 1,024,991,502
Restricted cash	—	754,564	1,164,371
Receivables (net, of allowances for uncollectibles):			
Intergovernmental	108,697	8,983,150	10,281,975
Accounts	74,438	18,433,209	19,642,735
Notes	30,748,904	37,003,071	35,302,571
Total receivables	<u>30,932,039</u>	<u>64,419,430</u>	<u>65,227,281</u>
Due from other funds	566,697	16,000,506	66,677,761
Othe assets	—	—	974,811
Property, plant and equipment	—	191,162	191,162
Total assets	<u>\$ 35,048,093</u>	<u>\$ 1,336,715,165</u>	<u>\$ 1,159,226,888</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and accounts payable	\$ —	\$ 14,569,627	\$ 8,068,000
Other accrued liabilities	34,389,709	38,552,332	39,311,836
Due to other funds	658,384	1,778,264	3,114,761
Bonds and notes payable	—	8,096,032	8,564,160
Total liabilities	<u>35,048,093</u>	<u>62,996,255</u>	<u>59,058,757</u>
Fund Balance:			
Reserved for:			
Encumbrances	—	3,122,697	—
Employee retirement system	—	1,183,249,930	1,015,231,389
Unreserved:			
Designated	—	6,953,953	10,449,033
Undesignated	—	80,392,330	74,487,709
Total fund balance	<u>—</u>	<u>1,273,718,910</u>	<u>1,100,168,131</u>
Total liabilities and fund balance	<u>\$ 35,048,093</u>	<u>\$ 1,336,715,165</u>	<u>\$ 1,159,226,888</u>

Exhibit E-2

PENSION TRUSTS

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1992

	State/Boston Retirement System	Boston Retirement System	Totals
			1992 1991
REVENUES:			
Investment Income	\$ 46,870,000	\$ 45,057	\$ 53,683,917
Net appreciation (depreciation) in fair market value of investments	149,666,000	-	(70,590,000)
Contributions and donations	177,436,000	-	171,385,000
Intergovernmental	20,022,000	129,900	21,415,923
Miscellaneous	40,000	514	51,000
Total operating revenues	394,034,000	175,471	175,945,840
EXPENSES:			
Professional fees	67,000	-	570,000
Administrative and general	1,411,000	-	1,462,394
Benefits paid	158,622,000	534,532	155,585,718
Members refunds, transfers and reimbursements to other systems	15,105,000	-	12,784,000
Total operating expenses	175,205,000	534,532	170,402,112
Excess (deficiency) of revenues over expenses	218,829,000	(359,061)	5,543,728
Fund equity, beginning of year	963,248,000	1,531,991	959,236,263
Fund equity, end of year	\$ 1,182,077,000	\$ 1,172,930	\$ 964,779,991

Exhibit E-3

NONEXPENDABLE TRUSTS

Combining Statement of Revenues and Expenses and Changes in Fund Equity
Year Ended June 30, 1992

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
					1992 1991
REVENUES:					
Investment Income	\$ 2,419,021	\$ 30,749	\$ 1,246,913	\$ 2,121,754	\$ 5,818,437 \$ 4,357,125
Contributions and donations	-	982	-	649,832	650,814 694,016
Miscellaneous	73,609	966	236	193,774	268,585 93,272
Total operating revenues	<u>2,492,630</u>	<u>32,697</u>	<u>1,247,149</u>	<u>2,965,360</u>	<u>6,737,836</u> <u>5,144,413</u>
EXPENSES:					
Professional fees	-	2,200	-	-	2,200 3,956
Administrative and general	-	7,255	-	-	7,255 630
Libraries	-	-	-	820,535	820,535 392,160
Scholarships and awards	-	13,850	-	-	13,850 15,650
Total operating expenses	<u>-</u>	<u>23,305</u>	<u>-</u>	<u>820,535</u>	<u>843,840</u> <u>412,396</u>
Operating income (loss)	2,492,630	9,392	1,247,149	2,144,825	5,893,996 4,732,017
Operating transfers (to) from: Trust funds	(1,507,324)	(16,920)	(720,338)	(486,909)	(2,731,491) (3,090,329)
Net income	985,306	(7,528)	526,811	1,657,916	3,162,505 1,641,688
Fund equity, beginning of year	23,682,833	616,321	11,657,161	15,011,921	50,968,236 49,326,548
Fund equity, end of year	<u>\$ 24,668,139</u>	<u>\$ 608,793</u>	<u>\$ 12,183,972</u>	<u>\$ 16,669,837</u>	<u>\$ 54,130,741</u> <u>\$ 50,968,236</u>

Exhibit E-4

NONEXPENDABLE TRUSTS
Combining Statement of Cash Flows
Year Ended June 30, 1992

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
				1992	1991
Cash flows from operating activities:					
Operating income (loss)	\$ 2,492,630	\$ 9,392	\$ 1,247,149	\$ 2,144,825	\$ 5,893,996
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in operating assets and liabilities:					
Investments	(925,111)	10,783	(369,794)	1,834,283	550,161
Accounts receivable	24,220	-	-	-	24,220
Accounts payable	-	-	-	-	(128)
Other accrued liabilities	-	5,169	-	-	5,169
Cash provided (used) by operating activities	1,591,739	25,344	877,355	3,979,108	2,025,037
Cash flows from noncapital financing activities:					
Operating subsidy / transfers in (out)	(1,507,324)	(16,920)	(720,338)	(486,909)	(2,731,491)
Cash provided (used) by noncapital financing activities	(1,507,324)	(16,920)	(720,338)	(486,909)	(3,090,329)
Increase (decrease) in cash and cash equivalents	84,415	8,424	157,017	3,492,199	3,742,055
Cash and cash equivalents, beginning of year	572,835	504,194	218,373	1,725,810	3,021,212
Cash and cash equivalents, end of year	\$ 657,250	\$ 512,618	\$ 375,390	\$ 5,218,009	\$ 6,763,267
					\$ 3,021,212

Exhibit E-5

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 1992

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library
REVENUES:				
Investment income	\$ 730,470	\$ 11,760	\$ 308,237	\$ 201,662
Contributions and donations	462,276	223	-	160,084
Other revenue	541,249	-	57,500	6,737
Total revenues	<u>1,733,995</u>	<u>11,983</u>	<u>365,737</u>	<u>368,483</u>
EXPENDITURES:				
General government	524,025	12,828	170,641	-
Human services	-	-	-	-
Public works	-	-	600,841	-
Parks and recreation	1,576,056	-	-	-
Library	-	-	-	398,196
Schools	-	40,019	-	-
Other employee benefits	-	-	-	-
Total expenditures	<u>2,100,081</u>	<u>52,847</u>	<u>771,482</u>	<u>398,196</u>
Excess (deficiency) of revenues over expenditures	<u>(366,086)</u>	<u>(40,864)</u>	<u>(405,745)</u>	<u>(29,713)</u>
Operating transfers (to) from:				
General fund	(1,800,000)	-	-	-
Trust funds	1,507,324	16,920	720,338	486,909
Total operating transfers, net	<u>(292,676)</u>	<u>16,920</u>	<u>720,338</u>	<u>486,909</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(658,762)	(23,944)	314,593	457,196
Fund balance (deficit), beginning of year	12,032,968	269,416	3,480,653	4,509,222
Fund balance (deficit), end of year	<u>\$ 11,374,206</u>	<u>\$ 245,472</u>	<u>\$ 3,795,246</u>	<u>\$ 4,966,418</u>

City of Boston, Massachusetts

Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Totals	
				1992	1991
\$ 1,225,204	\$ 188,968	\$ 32,960	\$ 11,669	\$ 2,710,930	\$ 3,313,517
-	-	-	76,556,187	77,178,770	73,291,865
-	3,798,880	343,031	-	4,747,397	5,961,667
<u>1,225,204</u>	<u>3,987,848</u>	<u>375,991</u>	<u>76,567,856</u>	<u>84,637,097</u>	<u>82,567,049</u>
-	3,044	119,111	556,524	1,386,173	7,586,357
-	1,042,306	589,608	-	1,631,914	3,746,769
-	-	-	-	600,841	1,695,469
-	-	-	-	1,576,056	2,106,484
-	-	-	-	398,196	542,248
-	-	-	-	40,019	25,651
-	-	-	76,340,450	76,340,450	59,958,487
<u>-</u>	<u>1,045,350</u>	<u>708,719</u>	<u>76,896,974</u>	<u>81,973,649</u>	<u>75,661,465</u>
<u>1,225,204</u>	<u>2,942,498</u>	<u>(332,728)</u>	<u>(329,118)</u>	<u>2,663,448</u>	<u>6,905,584</u>
-	-	-	-	(1,800,000)	-
(1,138,264)	-	-	-	1,593,227	952,066
<u>(1,138,264)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(206,773)</u>	<u>952,066</u>
86,940	2,942,498	(332,728)	(329,118)	2,456,675	7,857,650
14,841,332	(1,514,976)	901,256	(638,305)	33,881,566	26,023,916
<u>\$ 14,928,272</u>	<u>\$ 1,427,522</u>	<u>\$ 568,528</u>	<u>\$ (967,423)</u>	<u>\$ 36,338,241</u>	<u>\$ 33,881,566</u>

Exhibit E-6

BOSTON REDEVELOPMENT AUTHORITY – AGENCY FUND
Statement of Changes in Assets and Liabilities
Year Ended September 30, 1991

	Balance September 30, 1990	Additions	Deductions	Balance September 30, 1991
ASSETS				
Cash and investments	\$ 3,873,991	\$ 11,600,543	\$ 11,925,177	\$ 3,549,357
Receivables (net of allowances for uncollectible amounts)				
Intergovernmental	1,400,052	2,401,000	3,692,355	108,697
Accounts	74,438	201,170	201,170	74,438
Notes	31,122,966	940,522	1,314,584	30,748,904
Total receivables	32,597,456	3,542,692	5,208,109	30,932,039
Other assets	974,811	—	974,811	—
Due from other funds	339,763	470,826	243,892	566,697
Total assets	\$ 37,786,021	\$ 15,614,061	\$ 18,351,989	\$ 35,048,093
LIABILITIES				
Due to other funds	\$ 2,795,016	\$ 3,046,383	\$ 5,183,015	\$ 658,384
Other accrued liabilities	34,991,005	1,539,753	2,141,049	34,389,709
Total liabilities	\$ 37,786,021	\$ 4,586,136	\$ 7,324,064	\$ 35,048,093

STATISTICAL SECTION

STATISTICAL INFORMATION

Includes ten-year trend data for revenues, expenditures, taxes, debt ratios and certain supplemental statistical information.

Table-1

General Fund Expenditures by Function (GAAP Basis) (1)

Last Ten Fiscal Years

(In Thousands of \$)

<u>Function</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
General Government	\$ 38,825	44,140	43,748	49,930	43,752
% of Total	3.8	4.2	4.3	5.1	4.7
% Change	(12.0)	0.9	(12.4)	14.1	12.7
Public Safety	\$ 238,625	235,351	236,840	216,169	198,234
% of Total	23.5	22.5	23.4	23.4	21.2
% Change	1.4	(0.6)	9.6	9.0	16.9
Public Works	\$ 52,862	64,226	65,951	63,644	64,962
% of Total	5.2	6.1	6.5	6.5	7.0
% Change	(17.7)	(2.6)	3.6	(2.0)	15.4
Libraries	\$ 20,567	21,814	21,898	21,459	20,155
% of Total	2.0	2.1	2.2	2.2	2.2
% Change	(5.7)	(0.4)	2.0	6.5	13.9
Schools	\$ 387,438	396,266	356,635	353,081	322,748
% of Total	38.2	37.9	35.2	35.2	34.6
% Change	(2.2)	11.1	1.0	9.4	13.3
Retirement Cost	\$ 74,921	78,994	89,948	97,551	102,561
% of Total	7.4	7.6	8.9	8.9	11.0
% Change	(5.2)	(12.2)	(7.8)	(4.9)	10.9
Employee Benefits	\$ 66,366	65,836	57,854	51,698	43,791
% of Total	6.5	6.3	5.7	5.7	4.7
% Change	0.8	13.8	11.9	18.1	33.2
State & District Assessments	\$ 52,407	51,343	50,308	48,282	46,868
% of Total	5.2	4.9	5.0	5.0	5.0
% Change	2.1	2.1	4.2	3.0	3.7
County	\$ 31,673	30,728	27,090	23,434	25,867
% of Total	3.1	2.9	2.7	2.7	2.8
% Change	3.1	13.4	15.6	(9.4)	16.6
Property & Development	\$ 22,102	25,700	27,746	27,556	21,890
% of Total	2.2	2.5	2.7	2.7	2.3
% Change	(14.0)	(7.4)	0.7	25.9	14.4
Other (2)	\$ 27,765	31,161	33,832	35,677	43,131
% of Total	2.7	3.0	3.3	3.3	4.6
% Change	(10.9)	(7.9)	(5.2)	(17.3)	7.8
Total Expenditures	\$ 1,013,551	1,045,559	1,011,850	988,481	933,959
% of Total	100.0	100.0	100.0	100.7	100.0
% Change	(3.1)	3.3	2.4	5.8	14.0

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Includes: Parks, Human Services, Judgments and Claims, Miscellaneous, Capital Outlays and Debt Service.

<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>Function</u>
38,805	35,140	33,685	33,817	53,270	General Government
4.7	4.9	4.8	5.1	7.9	% of Total
10.4	4.3	(0.4)	(36.5)	21.1	% Change
169,528	133,410	123,537	126,955	106,966	Public Safety
20.7	18.5	17.6	19.0	15.9	% of Total
27.1	8.0	(2.7)	18.7	12.8	% Change
56,317	36,077	37,570	37,960	33,689	Public Works
6.9	5.0	5.3	5.7	5.0	% of Total
56.1	(4.0)	(1.0)	12.7	15.6	% Change
17,688	13,147	12,481	12,271	10,363	Libraries
2.2	1.8	1.8	1.8	1.5	% of Total
34.5	5.3	1.7	18.4	29.7	% Change
284,746	272,118	252,203	232,205	211,500	Schools
34.8	37.7	35.8	34.7	31.4	% of Total
4.6	7.9	8.6	9.8	5.8	% Change
92,466	85,677	92,461	81,309	69,860	Retirement Cost
11.3	11.9	13.1	12.2	10.4	% of Total
7.9	(7.3)	13.7	16.4	(1.0)	% Change
32,880	29,546	33,284	27,323	23,139	Employee Benefits
4.0	4.1	4.7	4.1	3.4	% of Total
11.3	(11.2)	21.8	18.1	3.9	% Change
45,213	45,575	49,692	47,531	47,034	State & District Assessments
5.5	6.3	7.1	7.1	7.0	% of Total
(0.8)	(8.3)	4.5	1.1	(3.1)	% Change
22,187	18,947	17,416	17,565	15,896	County
2.7	2.6	2.5	2.6	2.4	% of Total
17.1	8.8	(0.8)	10.5	26.6	% Change
19,140	14,629	15,724	17,326	—	Property & Development
2.3	2.0	2.2	2.6	—	% of Total
30.8	(7.0)	(9.2)	ERR	—	% Change
40,014	37,127	35,594	34,129	101,362	Other (2)
4.9	5.1	5.1	5.1	15.1	% of Total
7.8	4.3	4.3	(66.3)	170.1	% Change
818,984	721,393	703,647	668,391	673,079	Total Expenditures
100.0	100.0	100.0	100.0	100.0	% of Total
13.5	2.5	5.3	(0.7)	18.6	% Change

Table-2

General Fund Revenues by Source (GAAP Basis) (1)

Last Ten Fiscal Years

(In Thousands of \$)

<u>Source</u>		<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
Property Taxes	\$	564,165	530,163	477,296	454,239	499,607
% of Total		51.1	47.5	42.7	41.6	45.3
% Change		6.4	11.1	5.1	(9.1)	39.7
M.V. Excise Taxes	\$	18,972	19,021	27,084	25,818	18,358
% of Total		1.7	1.7	2.4	2.4	1.7
% Change		(0.3)	(29.8)	4.9	40.6	(1.5)
Other Excises (2)	\$	24,516	27,920	21,050	26,541	24,575
% of Total		2.2	2.5	1.9	2.4	2.2
% Change		(12.2)	32.6	(20.7)	8.0	3.7
Departmental & Other	\$	30,829	36,406	45,080	41,740	42,253
% of Total		2.8	3.3	4.0	3.8	3.8
% Change		(15.3)	(19.2)	8.0	(1.2)	25.7
State Distributions	\$	327,330	369,819	419,790	406,353	382,746
% of Total		29.6	33.1	37.5	37.2	34.7
% Change		(11.5)	(11.9)	3.3	6.2	6.6
Payment in Lieu of Taxes	\$	63,952	51,377	53,557	50,373	51,788
% of Total		5.8	4.6	4.8	4.6	4.7
% Change		24.5	(4.1)	6.3	(2.7)	11.1
Fines		48,724	52,304	43,872	41,986	40,559
% of Total		4.4	4.7	3.9	3.8	3.7
% Change		(6.8)	19.2	4.5	3.5	10.0
Investment Income		10,167	15,902	16,918	25,429	22,870
% of Total		0.9	1.4	1.5	2.3	2.1
% Change		(36.1)	(6.0)	(33.5)	11.2	13.1
Licenses & Permits		16,057	13,492	14,075	19,384	19,990
% of Total		1.5	1.2	1.3	1.8	1.8
% Change		19.0	(4.1)	(27.4)	(3.0)	7.5
Total Revenues	\$	1,104,712	1,116,404	1,118,722	1,091,863	1,102,746
% of Total		100.0	100.0	100.0	100.0	100.0
% Change		(1.0)	(0.2)	2.5	(1.0)	20.6

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes are comprised of hotel/motel and aircraft fuel excises taxes.

<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>Source</u>
357,558	319,823	338,022	305,882	382,322	Property Taxes
39.1	39.6	43.4	45.0	52.3	% of Total
11.8	(5.4)	10.5	(20.0)	(8.8)	% Change
18,633	13,915	9,356	9,511	8,149	M.V. Excise Taxes
2.0	1.7	1.2	1.4	1.1	% of Total
33.9	48.7	(1.6)	16.7	42.1	% Change
23,688	16,961	—	—	—	Other Excises (2)
2.6	2.1	—	—	—	% of Total
39.7	100.0	—	—	—	% Change
33,621	35,672	25,628	23,395	26,065	Departmental & Other
3.7	4.4	3.3	3.4	3.6	% of Total
(5.7)	39.2	9.5	(10.2)	25.9	% Change
358,896	307,425	299,555	267,406	236,771	State Distributions
39.2	38.0	38.5	39.3	32.4	% of Total
16.7	2.6	12.0	12.9	22.9	% Change
46,632	41,783	48,826	24,364	36,955	Payment in Lieu of Taxes
5.1	5.2	6.3	3.6	5.1	% of Total
11.6	(14.4)	100.4	(34.1)	41.7	% Change
36,878	33,931	29,170	25,906	25,899	Fines
4.0	4.2	3.7	3.8	3.5	% of Total
8.7	16.3	12.6	0.0	4.3	% Change
20,215	21,324	16,127	13,375	4,688	Investment Income
2.2	2.6	2.1	2.0	0.6	% of Total
(5.2)	32.2	20.6	185.3	(59.3)	% Change
18,592	17,817	12,062	10,170	9,601	Other (3)
2.0	2.2	1.5	1.5	1.3	% of Total
4.3	47.7	18.6	5.9	46.8	% Change
914,713	808,651	778,746	680,009	730,450	Total Revenues
100.0	100.0	100.0	100.0	100.0	% of Total
13.1	3.8	14.5	(6.9)	3.3	% Change

Table—3
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Millions of \$)

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy				Tax Levy Net of Refunds Collected as of June 30				All Taxes Collected in Fiscal Year
	Gross(1)	Net	Net % Gross	Gross Amount	% Year of Levy		Net Levy	Gross Levy	Net Levy	% June 30		
					Levy	Levy						
1983	\$ 374.6	354.4	94.6	161.7	43.2	45.6 (2)	321.3	85.8	90.7	130.3		
1984	333.3	312.3	93.7	311.0	93.3	99.6	291.9	87.6	93.5	408.1 (3)		
1985	363.9	345.6	95.0	340.6	93.6	98.6	323.3	88.8	93.5	306.7		
1986	395.3	370.0	93.6	376.0	95.1	101.6	356.9	90.3	96.5	180.6		
1987	422.5	394.6	93.4	407.1	96.4	103.2	386.3	91.4	97.9	590.0 (4)		
1988	452.5	425.6	94.1	422.4	93.3	99.2	415.6	91.8	97.7	420.0		
1989	484.5	460.2	95.0	456.2	94.2	99.1	451.4	93.2	98.1	415.0		
1990	521.0	495.0	95.0	487.1	93.5	98.4	489.3	93.9	98.8	470.5		
1991	555.1	528.6	95.2	517.8	93.3	98.0	516.7	93.1	97.7	513.8		
1992	583.4	555.1	95.1	553.7	94.9	99.7	554.2	95.0	99.8	538.0		

(1) Includes omitted assessments assessed in all fiscal years.

(2) The relatively low percentage of the fiscal 1983 levy collected within fiscal 1983 reflects the fact that the final bills were not mailed until the last day of fiscal 1983 due to delayed certification of revalued property assessments.

(3) Includes amounts collected on the fiscal 1983 tax levy.

(4) Includes amounts collected on the fiscal 1986 tax levy.

Source: City of Boston Treasury Department

Table-4

Assessed and Estimated Market Value of All Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)		Personal Property		Total		Per Capita	Population (3)
	Assessed Value	Per Capita	Assessed Value	Per Capita	Assessed Value (2)	Per Capita		
1983	\$ 10,089,026,535	\$ 17,989	\$ 1,695,417,721	\$ 3,023	\$ 11,784,444,256	21,012	560,847	
1984	11,202,181,007	19,628	1,821,847,318	3,192	13,024,028,325	22,820	570,719	
1985	13,218,885,271	23,162	1,577,990,719	2,765	14,796,875,990	25,927	570,719	
1986	17,991,130,089	31,365	1,681,352,676	2,931	19,672,482,765	34,297	573,600	
1987	21,775,401,986	37,963	1,734,251,712	3,023	23,509,653,698	40,986	573,600	
1988	26,264,874,473	45,454	1,746,614,718	3,023	28,011,489,191	48,477	577,830	
1989	32,126,544,484	55,599	1,205,971,359	2,087	33,332,515,843	57,686	577,830	
1990	32,449,286,694	56,157	1,223,936,350	2,118	33,673,223,044	58,275	577,830	
1991	32,828,942,888	57,165	1,336,554,316	2,327	34,165,497,204	59,492	574,283	
1992	26,338,862,430	45,864	1,519,099,161	2,645	27,857,961,591	48,509	574,283	

(1) Exempt residential properties not included.

(2) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(3) Population estimates are from Bureau of the Census.

Source: City of Boston Assessing Department

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Table-5

Property Tax Rates
Direct and Overlapping Governments (1)
 Last Ten Fiscal Years

Fiscal Year	Class	Schools	City General	Total	% Change
1983	Residential	9.23	12.24	21.47	—
	C.I.P.	17.33	22.97	40.30	—
1984	Residential	6.91	10.19	17.10	(20.4) %
	C.I.P.	13.15	19.39	32.54	(19.3) %
1985	Residential	7.21	9.21	16.42	(4.0) %
	C.I.P.	13.77	17.59	31.36	(3.6) %
1986	Residential	6.39	7.07	13.46	(18.0) %
	C.I.P.	12.28	13.57	25.85	(17.6) %
1987	Residential	5.87	6.15	12.02	(10.7) %
	C.I.P.	11.49	12.06	23.55	(8.9) %
1988	Residential	5.87	4.90	10.77	(10.4) %
	C.I.P.	11.80	9.86	21.66	(8.0) %
1989	Residential	4.32	3.65	7.97	(26.0) %
	C.I.P.	12.16	10.28	22.44	3.6 %
1990	Residential	4.63	3.82	8.45	6.0 %
	C.I.P.	13.09	10.82	23.91	6.6 %
1991	Residential	4.00	4.93	8.93	5.7 %
	C.I.P.	15.00	10.09	25.09	4.9 %
1992	Residential	5.97	5.21	11.18	25.2 %
	C.I.P.	18.30	15.97	34.27	36.6 %

(1) Real and personal property tax rates are per \$1,000 of assessed value.

C.I.P. = Commercial, Industrial and Personal Property.

Source: City of Boston Assessing Department

Table-6
Ratio of General Obligation Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value (2)	Gross Bonded Debt	Less: Self-- Supporting Debt	Less: Debt Service Funds	Net Bonded Debt	Ratio of	
							Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1983	560,847	\$ 11,784,444,256	\$ 459,138,500	\$ 62,168,500	\$ 80,135,000	\$ 316,835,000	2.69	\$ 564.9
1984	570,719	13,024,028,325	503,793,500	60,288,500	19,647,000	423,858,000	3.25	742.7
1985	570,719	14,796,875,990	530,778,356	59,208,500	24,549,000	447,020,856	3.02	783.3
1986	573,600	19,672,482,765	548,748,356	55,353,500	34,739,000	458,655,856	2.33	795.9
1987	573,600	23,509,653,698	510,833,356	51,353,500	105,610,000	353,869,856	1.51	614.0
1988	577,830	28,011,489,191	455,578,500	46,248,500	114,709,000	294,621,000	1.05	509.9
1989	577,830	33,332,515,843	506,503,500	40,308,500	87,934,000	378,261,000	1.13	654.6
1990	577,830	33,673,223,044	516,323,500	9,518,500 (3)	54,468,000	452,337,000	1.34	782.8
1991	574,283	34,165,497,204	548,690,000	8,920,000	7,790,000	531,980,000	1.56	926.3
1992	574,283	27,857,961,591	566,225,000	6,680,000	5,948,000	553,597,000	1.99	964.0

- (1) Population estimates are from Bureau of the Census.
 (2) Beginning with 1983 the assessed valuation reflects 100% of the full and fair cash value.
 (3) The Funding Loan Act of 1982 Bonds which were outstanding as of June 30, 1989, in the amount of \$30.2 million were redeemed in full on July 1, 1989.

Table-7

Computation of Legal Debt Margin
June 30, 1992

Equalized Valuation as of January 1st (1)	\$ 37,924,352,000	
	2.5%	5.0%
Maximum debt limits as of July 1, 1991	\$ 948,108,800	\$ 1,896,217,600
Less: Debt outstanding June 30, 1991 (2)	292,624,598	292,624,598
Less: Debt authorized but unissued June 30, 1991	178,220,000	178,220,000
Add: Sinking Fund surplus for debt retirement	54,774	54,774
Debt incurring capacity as of July 1, 1991	477,318,976	1,425,427,776
Add: Debt redeemed during fiscal 1992	16,390,271	16,390,271
Less: City council authorizations during fiscal 1992	91,350,000	91,350,000
Debt incurring capacity as of June 30, 1992	\$ 402,359,247	\$ 1,350,468,047

(1) Includes the value of Chapter 121A tax agreement properties.

(2) The laws of the Commonwealth of Massachusetts provide for general debt limits for the City, consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5% of the assessed valuation of taxable property in the City as last equalized by the State Department of Revenue, and may authorize debt up to this limit without State approval. The City can also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

Table-8

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 1992**

Boston's Direct Debt	Gross Bonded Debt	Payable from Related Revenues (1)	Net Bonded Debt
Issued for the Purpose of:			
Acquisition of Land; Parks/Playgrounds	29,227,906	—	\$ 29,227,906
Automatic Traffic Control Signals	1,927,644	—	1,927,644
Departmental Equipment	23,785,499	—	23,785,499
Remodeling and Repairs	99,954,645	—	99,954,645
Suffolk County	5,179,938	1,185,654	3,994,284
Economic Development	8,080,039	—	8,080,039
Parking Facilities	7,662,509	—	7,662,509
State Urban Development - Relocation	53,385,505	—	53,385,505
Schools	167,496,615	97,675,528	69,821,087
Public Buildings	83,261,495	—	83,261,495
Public Works	79,208,403	—	79,208,403
Acquisition of Land; Cemeteries	374,801	374,801	—
Sewer	730,000	730,000	—
Water	400,000	400,000	—
Rapid Transit	5,550,000	5,550,000	—
Total Direct Debt	566,225,000	105,915,983	460,309,017
Overlapping Debt	Principal Amount	% Applicable to Boston	
Mass. Bay Transportation Authority	210,995,000	42.34 %	89,335,283
Total Direct and Overlapping Debt			\$ 89,335,283

(1) Includes revenues related to or derived from facilities for which the debt was incurred. Such revenues include: (i) payments from the State for debt service on bonds issued for Suffolk County Courthouse buildings; (ii) state grants for school construction assistance pursuant to the State's Construction Aid Project; (iii) cemetery receipts which are currently collected in the General Fund; (iv) Payments from the Boston Water and Sewer Commission for debt service on outstanding water and sewer bonds; and (v) receipts from the City's Board of Commissioners of Sinking Funds (and under certain circumstances, the MBTA) in amounts sufficient to pay debt service on outstanding Rapid Transit Bonds.

Source: City of Boston Auditing Department and MBTA.

Table-9

**Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years
(GAAP Basis)
(In Thousands of \$)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total (1) General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1983	\$ 45,521	\$ 29,775	\$ 75,296	\$ 673,079	11.2 %
1984	42,556	28,299	70,855	668,391	10.6
1985	45,116	31,162	76,278	708,647	10.8
1986	47,072	35,799	82,871	721,393	11.5
1987	48,624	37,357	85,981	818,984	10.5
1988	50,702	35,035	85,737	933,959	9.2
1989	67,872	33,061	100,933	988,481	10.2
1990	81,034	29,444	110,478	1,011,850	10.9
1991	50,579	32,317	82,896	1,045,559	7.9
1992	53,180	32,812	85,992	1,013,551	8.5

(1) Operating Transfers Out have been excluded from all years.

Table—10

Largest Taxpayers (1)

	Personal <u>Property</u>	Real <u>Property</u>	Total Assessed <u>Value</u>	Fiscal 1992 <u>Taxes</u>
Boston Edison Company	\$ 537,173,000	\$ 426,174,800	\$ 963,347,800	\$ 33,013,943
John Hancock Mutual Life Insurance Company		392,810,500	392,810,500	13,461,616
New England Telephone and Telegraph	213,069,100	110,894,500	323,963,600	11,102,233
Dewey Square Tower Associates (2)		198,219,508	198,219,508	6,792,983
Equitable Federal Street Realty Company		217,983,000	217,983,000	7,470,277
Olympia & York State Street Company		205,546,000	205,546,000	7,044,062
UIDC of Massachusetts, Inc.		199,168,000	199,168,000	6,825,505
Prudential Insurance Company		779,744,120	779,744,120	10,945,579
Fort Hill Associates		193,644,000	193,644,000	6,636,163
Massport		186,885,504	186,885,504	6,017,739
One Federal Street		169,486,000	169,486,000	5,808,285
Bertram A. Druker Trust		176,382,500	176,382,500	5,725,289
Rose David, et al		156,690,900	156,690,900	5,369,797
125 High Street		148,250,000	148,250,000	5,080,511
Boston Gas Company	106,964,761	37,015,000	143,979,761	4,934,186
Harold Brown		178,801,400	178,801,400	4,679,599
Post Office Square Co.		142,976,000	142,976,000	4,613,168
Equitable Life Assurance Company		131,250,200	131,250,200	4,497,927
Hexalon Real Estate, Inc.		110,058,000	110,058,000	3,771,688
500 Boylston West		103,959,000	103,959,000	3,562,658
75 Federal Street Associates		101,984,000	101,984,000	3,494,992
Charles River Park		142,062,800	142,062,800	3,163,153
Federal Reserve Bank of Boston		88,010,500	88,010,500	3,016,120
75 State Street		87,640,900	87,640,900	3,003,454
Faneuil Hall Market Lessee		81,623,500	81,623,500	2,797,237
Maxwell S. Beal Trust		80,389,500	80,389,500	2,754,948
Rowes Wharf Associates		72,789,600	72,789,600	2,494,500
Marriott Urban Lessee		70,633,500	70,633,500	2,420,610
Richard H. Rubin Trust		67,711,500	67,711,500	2,320,473

(1) This table is compiled through a literal search of the named owner or owners of all major property in the City. This methodology does not locate parcels owned by affiliates nor does it differentiate between levels of ownership in a particular parcel.

(2) Formerly Bostrose Associates.

Source: City of Boston Assessing and Treasury Departments.

Table 11**Boston's Largest Private Sector Employers**

<u>Employer</u>	<u>Employer</u>
Bank of Boston Corporation	FMR Corp. (Fidelity Investments)
Blue Cross / Blue Shield of Massachusetts	Gillette Company
Boston University	John Hancock Mutual Life Insurance
Brigham and Women's Hospital	Massachusetts General Hospital
Children's Hospitals	New England Medical Center

The largest private sector employers in the City of Boston as of 1991.

Source: Boston Redevelopment Authority.

Table-12

**Comparative Office Vacancy Rates
20 Largest Downtown Office Markets
Mid-Year Fiscal 1992**

<u>City</u>	<u>Vacancy Rate</u>	<u>City</u>	<u>Vacancy Rate</u>
San Francisco	10.8 %	Boston	17.7 %
Detroit	13.8	Cincinnati	17.7
Seattle	14.0	Los Angeles	19.2
Philadelphia	14.1	Manhattan, Downtown	20.3
Manhattan, Midtown	14.9	Denver	20.4
Chicago	15.8	St. Louis	23.1
Portland, Ore.	16.9	Cleveland	23.2
Atlanta	17.0	Dallas	23.6
Minneapolis - St. Paul	17.5	Kansas City	24.8
Houston	17.6	Phoenix	25.7

National Average 18.1

Source: Boston Redevelopment Authority and Coldwell Banker Commercial Office Index.

Table-13

Building Permit Revenue and Estimated Construction Activity
Last Ten Fiscal Years

<u>Year</u>	<u>Building Permit Revenue (1)</u>	<u>Estimated Construction Activity (2)</u>	<u>Est. Construction Activity Adjusted For Inflation (3)</u>
1983	\$ 5,196,160	\$ 611,312,941	\$ 948,410,215
1984	5,594,683	658,198,000	975,626,823
1985	7,435,576	874,773,647	1,251,020,377
1986	14,108,134	1,659,780,471	2,280,055,238
1987	13,504,134	1,588,721,647	2,066,044,240
1988	14,431,173	1,697,785,059	2,167,416,702
1989	11,423,439	1,343,934,000	1,637,115,272
1990	8,119,487	955,233,793	1,083,338,790
1991	6,689,380	786,985,833	846,588,436
1992	9,136,202	1,074,847,236	1,074,847,236
	<u>\$ 95,638,368</u>	<u>\$ 11,251,572,627</u>	<u>\$ 14,330,463,329</u>
 Annual Average	 9,563,837	 1,125,157,263	 1,433,046,333

(1) Building permit revenue in current dollars.

(2) Construction activity estimated by dividing permit revenues by .85%, which is the midpoint between permit fees calculated at .7% of the first \$100,000 and 1% for the remainder.

(3) Construction activity adjusted for inflation using CPI-U.

Source: Boston Redevelopment Authority

Table - 14
City of Boston Employment Trends by Industry
Last Five Fiscal Years

Industry	1987	1988	1989	% Change 1987 - 1989	1990	1991	% Change 1987 - 1991
Fishing, Mining, Agriculture	1,256	1,338	1,265	-5.5%	1,180	1,098	-12.6%
Construction	15,686	15,910	15,295	-3.9%	13,060	10,396	-33.7%
Manufacturing	37,612	34,738	33,225	-4.4%	32,090	29,953	-20.4%
Transportation/Comm./Utilities	36,546	37,565	35,631	-5.1%	36,157	33,372	-8.7%
Retail and Wholesale Trade	89,146	85,707	84,933	-0.9%	80,514	72,677	-18.5%
Finance/Insurance/Real Estate	95,252	95,304	88,739	-6.9%	85,530	81,752	-14.2%
Services	250,589	257,736	258,836	0.4%	255,229	240,594	-4.0%
Government	104,559	107,963	106,480	-1.4%	106,554	98,396	-5.9%
Total	630,646	636,261	624,404	-1.9%	610,314	568,238	-9.0%

1987 to 1990 figures are based on U.S. Bureau of Economic Analysis Series for Suffolk County, (September 1992 Revised Series (BEA Series)), pro-rated to Boston geography. 1991 data are based on Massachusetts Department of Employment and Training data adjusted to BEA Series.

Source: Boston Redevelopment Authority and Massachusetts Department of Employment and Training.

Table--15

Annual Unemployment Rates

City	1982	1983	1984	1985	1986	1987	1988	1989	1990	July (1)	
										1990	1991
Boston PMSA (2)	9.1 %	7.8 %	5.5 %	4.6 %	4.4 %	3.2 %	3.4 %	3.9 %	5.5 %	6.2 %	9.2 %
Massachusetts	6.7	5.8	4.1	3.4	3.8	2.7	2.8	3.4	5.1	5.5	8.2
New England	7.9	6.9	4.8	3.9	3.8	3.2	3.3	4.0	6.0	6.5	9.4
United States	5.9	7.8	4.9	4.4	3.9	3.3	3.2	3.9	5.7	5.9	8.1
	9.7	9.6	7.1	7.2	7.0	6.2	5.5	5.3	5.5	5.5	6.7

(1) Monthly rates are not seasonally adjusted.

(2) Primary Metropolitan Statistical Area.

Sources: U.S. Bureau of Labor Statistics and Massachusetts Division of Employment Security.

Table-16

Direct Debt Outstanding
Year Ended June 30, 1992

	Bonds Authorized But Unissued June 30, 1991	Balance June 30, 1991	
		Principal	Interest
<u>General Purpose</u>			
Auditorium	-	580,000	34,520
Acquisition of Land, Parks and Playgrounds	15,350,000	18,500,000	9,510,693
Automatic Traffic Control Signals	715,000	1,295,000	650,354
Departmental Equipment	7,000,000	19,777,074	5,017,496
New City Hall	-	4,300,000	573,562
Economic Development and Industrial Corp.	575,000	8,143,802	4,054,618
Remodeling and Extraordinary Repairs	97,590,000	158,807,375	95,989,290
Total General Purpose	121,230,000	211,403,251	115,830,533
<u>School Buildings</u>			
Capital Improvements; Acts of 1966	-	3,355,000	764,929
Capital Improvements; Acts of 1973	125,000	10,071,986	4,968,153
Construction of Buildings; Acq. of Land	-	-	-
School Project Loan; Act of 1948	1,765,000	88,689,948	32,630,926
Total School Buildings	1,890,000	102,116,934	38,364,008
<u>Other Public Buildings</u>			
Capital Improvements; Acts of 1966	-	10,815,000	1,860,458
Capital Improvements; Acts of 1973	10,065,000	52,650,659	30,638,530
Construction of Buildings; Acq. of Land	7,210,000	23,708,227	13,760,087
Hospital Improvement Loan; Act of 1970	-	750,000	39,750
Total Other Public Buildings	17,275,000	87,923,886	46,298,825
<u>Public Works</u>			
Bridges	7,990,000	9,791,877	6,086,169
Public Ways	31,355,000	42,676,312	24,633,522
Sidewalks	3,065,000	11,754,666	5,264,786
Street Lighting	7,945,000	6,255,000	2,033,709
Total Public Works	50,355,000	70,477,855	38,018,186
<u>Other</u>			
Urban Redevelopment and Relocation	16,900,000	59,103,032	25,026,194
Parking Facilities	-	8,745,042	2,468,106
Water Mains and Meters	-	585,000	102,367
Sewerage Loan	-	925,000	210,205
Rapid Transit Loans (1)	-	7,410,000	459,887
Total Other	16,900,000	76,768,074	28,266,759
Total All Categories	207,650,000	548,690,000	266,778,311

(1) Includes \$30,000 in outstanding bonds held by the Board of Commissioners of Sinking Funds.

City of Boston, Massachusetts

G. O. Bond Issuance		Payments		Balance June 30, 1992		Bonds Authorized But Unissued June 30, 1992
Principal	Interest	Principal	Interest	Principal	Interest	
-	-	185,000	16,988	395,000	17,533	-
12,002,707	7,591,705	900,000	1,168,289	29,602,707	15,934,109	7,264,260
722,644	457,072	90,000	82,767	1,927,644	1,024,659	-
6,316,821	2,285,446	2,308,395	1,166,878	23,785,500	6,136,064	8,515,000
-	-	780,000	170,625	3,520,000	402,937	-
581,148	583,945	644,911	561,643	8,080,038	4,076,920	5,314,000
29,418,901	29,560,520	6,186,220	9,985,446	182,040,056	115,564,364	93,542,298
49,042,221	40,478,687	11,094,526	13,152,636	249,350,946	143,156,584	114,635,558
-	-	905,000	209,781	2,450,000	555,148	-
-	-	808,412	907,385	9,263,574	4,060,768	125,000
-	-	-	-	-	-	-
-	-	14,879,174	6,264,053	73,810,774	26,366,873	560,000
-	-	16,592,586	7,381,219	85,524,348	30,982,789	685,000
-	-	3,725,000	591,611	7,090,000	1,268,847	-
2,978,936	2,993,276	3,521,926	3,452,172	52,107,668	30,179,634	16,122,576
1,590,147	1,597,802	1,777,754	1,510,179	23,520,620	13,847,710	46,456,674
-	-	750,000	39,750	-	-	-
4,569,083	4,591,078	9,774,680	5,593,712	82,718,289	45,296,190	62,579,250
1,086,493	1,048,877	478,128	579,587	10,400,243	6,555,459	6,915,000
5,436,423	3,867,102	2,698,652	3,063,384	45,414,083	25,437,240	38,921,085
3,097,769	1,120,783	731,122	727,636	14,121,313	5,657,933	-
4,042,765	2,557,046	1,025,000	402,127	9,272,765	4,188,628	4,915,000
13,663,450	8,593,808	4,932,902	4,772,734	79,208,403	41,839,259	50,751,085
3,440,246	3,456,807	7,462,773	4,131,807	55,080,506	24,351,194	13,496,145
-	-	1,082,533	472,991	7,662,509	1,995,115	-
-	-	185,000	41,210	400,000	61,157	-
-	-	195,000	60,933	730,000	149,273	-
-	-	1,860,000	201,375	5,550,000	258,512	-
3,440,246	3,456,807	10,785,306	4,908,315	69,423,015	26,815,251	13,496,145
70,715,000	57,120,380	53,180,000	35,808,617	566,225,000	288,090,074	242,147,038

Table-17

Authorized and Unissued Debt

Balance June 30, 1991.....	207,650,000	
Add: City Council Authorizations.....	111,119,000	318,769,000
Less: Bonds Issued.....	69,966,962	
Less: Authorizations Rescinded.....	6,655,000	76,621,962
Balance June 30, 1992.....		<u>242,147,038</u>

City Council Authorizations (Rescissions):	Date	Amount	Authorization
Acquisition of Land; Parks and Playgrounds Municipal Outdoor Recreational and Athletic Facilities	4/23/92	3,495,000	C44 s7 (25)
Acquisition of Land; Historic Cemeteries	4/23/92	295,000	C44 s7 (20)
Departmental Equipment Various Departments: Health & Hospitals & Fire Depts.	4/23/92	7,765,000	C44 s7 (9)
Remodeling and Extraordinary Repairs to Public Buildings Various Departments: the Library, Real Property, Police & Fire Depts.	4/23/92	10,295,000	C44 s7 (3a)
Remodeling and Extraordinary Repairs: School Department	4/23/92	14,765,000	C44 s7 (3a)
Construction of Public Buildings - Acquisition of Land: Police Dept.	4/23/92	45,925,000	C44 s7 (3)
Amendment to Original Council Order as Stated	4/24/91	(5,105,000)	C44 s7 (3)
Construction of Public Ways	4/23/92	4,030,000	C44 s7 (5)
Construction of Sidewalks	4/23/92	8,915,000	C44 s7 (6)
Public Lighting Installation; Extensions and Improvements	4/23/92	970,000	C44 s7 (14)
Capital Improvements - Act of '73: Department of Health & Hospitals	4/23/92	1,980,000	C642 s7A Act of '66 as inserted by: C1030 s4 Act of '73
Capital Improvements - Act of '73: Public Works Dept.	4/23/92	3,265,000	C642 s7A Act of '66 as inserted by: C1030 s4 Act of '73
Capital Improvements - Act of '73: Parks & Recreation Dept.	4/23/92	4,105,000	C642 s7A Act of '66 as inserted by: C1030 s4 Act of '73
Economic Development and Industrial Corporation	5/2/92	5,314,000	C1097 s11 Acts of '71
School Project Loan - Act of '48 Original Council Order of \$52,000,000	4/2/92 3/18/70	(485,000)	C645 s8 Act of '48
School Project Loan - Act of '48 Original Council Order of \$39,000,000	7/16/92 8/1/73	(200,000)	C645 s8 Act of '48
School Project Loan - Act of '48 Original Council Order of \$ 147,400,000	7/16/92 11/1/73	(520,000)	C645 s8 Act of '48
Capital Improvements - Act of '73: Charles Street Jail Original Council Order of \$ 3,400,000	4/2/92 10/28/78	(345,000)	C642 s7A Act of '66

Table-18

State-Boston Retirement System
Revenues by Source and Expenses by Type
 Required Supplementary Information
 (In Thousands of \$)

Year Ended June 30 (1)	Revenues by Source					Total
	Employee	Employer	Investment	Other		
	Contributions	Contributions	Income	Income (2)		
1982	\$ 24,566	\$ 88,777	\$ 28,319	\$ 77	\$ 141,739	
1983	26,130	89,163	80,359	5,119	200,771	
1984	25,529	113,443	2,893	4,925	146,790	
1985	28,461	123,466	93,867	6,029	251,823	
1986	31,017	116,069	134,065	1,233	282,384	
1987	34,961	122,742	55,593	27,628	240,924	
1988	39,197	132,302	(6,495)	12,863	177,867	
1989	46,736	127,968	141,516	10,887	327,107	
1990	50,195	120,890	(21,218)	21,336	171,203	
1991	51,169	126,267	196,536	20,062	394,034	

Year Ended June 30 (1)	Expenses by Type				Total
	Benefits	Administrative	Refunds	Other	
		Expenses (3)		Expenses	
1982	\$ 99,344	\$ 1,294	\$ 15,738	\$ 11,584	\$ 127,960
1983	114,782	1,382	8,860	727	125,751
1984	114,598	1,657	6,661	8,790	131,706
1985	119,603	1,376	8,830	2,596	132,405
1986	127,096	1,298	8,766	1,704	138,864
1987	133,859	1,286	11,634	3,224	150,003
1988	140,277	3,133	5,670	7,856	156,936
1989	149,936	1,950	10,084	4,423	166,393
1990	155,003	2,017	8,025	4,759	169,804
1991	158,622	1,478	9,855	5,250	175,205

(1) Except for 1981, 1989, 1990 and 1991 which are as of December 31.

(2) Includes reimbursements from the Commonwealth for cost-of-living adjustments.

(3) Includes investment management fees.

Source: City of Boston State-Boston Retirement System.

Table—19

State—Boston Retirement System
Analysis of Funding Progress
Required Supplementary Information
(In Millions of \$)

<u>Year</u>	<u>Net Assets (1) Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Annual Payroll</u>
1988	\$ 748	\$ 1,851	40%	\$ 1,103	\$ 513	215%
1989	899	2,027	44%	1,128	636	177%
1990	983	2,154	46%	1,172	636	184%
1991	1,010	2,114	48%	1,104	663	167%

(1) The investment portfolio is regulated by the Massachusetts General Laws, Chapter 32, Section 23. Investments are presented at fair market value and managed by independent investment advisors.

Note: Statement No. 5 of the Governmental Accounting Standards Board (GASB No.5) requires ten-year historical information, if available. Such information is not available on the basis prescribed by GASB No. 5 prior to 1988.

Source: City of Boston State—Boston Retirement System.

Table-20

GENERAL INFORMATION

CITY GOVERNMENT

Date of incorporation.....	1822
Present charter first adopted.....	1909
Form of government.....	Mayor / City Council

GEOGRAPHICAL DATA

Altitude.....	28 feet above sea level
---------------	-------------------------

Area (square miles):

Land.....	43.2
Water.....	2.2

Climate:

Annual average.....	50.2
January 1992 average high.....	38.2
January 1992 average low.....	23.8
July 1992 average high.....	77.4
July 1992 average low.....	61.5
Rainfall 1992 in inches.....	43.72

ELECTIONS

Registered voters as of Nov.1992.....	254,208
% voted in last general election.....	73.5 %

CITY EMPLOYEES

Total number of employees.....	20,266
City and county.....	9,406
School department.....	7,878
Health and Hospitals.....	2,982

FIRE PROTECTION

Officers and personnel.....	1,788
Stations.....	34
Calls answered.....	46,500
Inspections conducted.....	17,627

POLICE PROTECTION

Officers and personnel.....	2,629
Stations.....	14
Calls answered.....	655,923
Physical arrests.....	14,596
Moving violations.....	112,621
Parking violations.....	1,824,000

HOSPITALS (as of January 1992)

Number of hospitals.....	30
Patient beds.....	8,459
Birth rate / thousand residents.....	16.7
Death rate / thousand residents.....	8.7

LIBRARY

Personnel full time.....	506
Personnel part time.....	136
Central and branch libraries.....	27
Mobile units.....	1
Books, audio and video materials, newspapers and magazines in circulation...	28.5 million
Library cards in force.....	441,593

PUBLIC EDUCATION

Student enrollment.....	57,400
Teachers and other certified employees.....	4,263
Total number of schools.....	116

STREETS, SIDEWALKS AND BRIDGES

Streets paved in miles.....	783
Streets unpaved in miles.....	0
Sidewalks in miles.....	1,500
Traffic signals.....	785
Parking meters.....	7,500
Bridges.....	4

PARKS AND RECREATION

Personnel.....	250
Major parks.....	4
Neighborhood and community parks.....	11
Neighborhood playgrounds.....	192
Community recreation centers.....	38
Golf courses.....	2
Swimming pools.....	19
Tennis courts.....	15

BOSTON LOGAN AIRPORT

Acreage.....	2,400
Miles of runway.....	7
Miles of taxiway.....	14
Domestic and international airlines.....	39
Passengers served (approximately).....	23 million









